8057
6,000 workers

UNAC/UHCP

AFFILIATE REGISTERED NURSES ASSOCIATIONS

Kaiser Bakersfield	31-44
Kaiser Baldwin Park	31-34
Kaiser Bellflower	31-17
Kaiser Fontana	31-01
Kaiser Ontario Vineyard	31-43
Kaiser Orange County	31-39
Kaiser Panorama City	31-23
Kaiser Riverside	31-32
Kaiser San Diego	31-28
Kaiser South Bay	31-24
Kaiser Sunset (Los Angeles)	31-18
Kaiser West Los Angeles	31-25
Kaiser Woodland Hills	31-14

KAISER PERMANENTE

KAISER - UNAC/U

LABOR-MANAGEMENT AGREEMENT BETWEEN

KAISER PERMANENTE MEDICAL CARE PROGRAMS

AND

KAISER REGISTERED NURSES ASSOCIATION AND MEDICAL PROFESSIONALS

UNITED NURSES ASSOCIATIONS OF CALIFORNIA/ UNION OF HEALTH CARE PROFESSIONALS

NUHHCE · AFSCME · AFL-CIO

2005--2010

oct 1, 2005 -
sept 30, 2010

201 pages

KAISER - UNAC/UHCP

LABOR-MANAGEMENT AGREEMENT BETWEEN

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2005 - 2010

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100 ARTICLE I – RECOGNITION AND COVERAGE

101 The Employer hereby recognizes the Association as the sole bargaining agent representing all included Health Care Professionals for the purposes of collective bargaining to establish rates of pay, hours of work, and other conditions of employment.

102 Employees covered by this Agreement are those Health Care Professionals licensed to practice in the State of California and employed by the Employer at the following Medical Centers and their associated outlying Medical Offices and Inpatient facilities: Bellflower Medical Center, Fontana Medical Center, South Bay Medical Center, Panorama City Medical Center, Riverside Medical Center, Woodland Hills Medical Center, West Los Angeles Medical Center, the Mental Health Center, San Gabriel Valley Medical Center, Orange County Medical Center, Kaiser Ontario/Vineyard Medical Center and Kern County Medical Center. In addition, all Registered Nurses and Registered Nurse Practitioners at Medical Office locations associated with the Los Angeles Medical Center (Sunset) are covered by this Agreement. Furthermore, Health Care Professionals at any additional facilities which may qualify as accretions to any of the existing Medical Centers during the term of this Agreement will also be covered by this Agreement. In addition, Physician Assistants working at the San Diego, Panorama City, South Bay, Orange County, Fontana, Riverside, West Los Angeles, Los Angeles Medical Center and Kern County facilities are also covered by this Agreement.

103 Excluded from coverage are the Nurse Anesthetist and Nurse Supervisor classifications, and all other non-Health Care Professional employees including personnel defined in the National Labor Relations Act, as amended.

104 For the purpose of this Agreement, the term "facility" shall be defined as each medical center and associated outlying Medical Office Buildings.

105 The Bargaining Unit shall be composed of all Health Care Professionals covered by this Agreement, as described in Paragraphs 102 and 103.

106 The Employer agrees that during the term of this Agreement it will not challenge the bargaining unit status of any nurse or job classification covered by this Agreement. The Employer further agrees that during the term of this Agreement it will neither claim that any nurse or job classification covered by this Agreement exercises supervisory authority within the meaning of Section 2 (11) of the NLRA, nor assign any nurse such duties for the purpose of removing that nurse from the bargaining unit. Finally, the Employer also agrees that during the term of this Agreement it will not challenge the Union's right to represent any nurse in any job classification covered by this Agreement based on a claim that such nurse is a supervisor within the meaning of the NLRA.

200 ARTICLE II – COURTESY

201 The Employer and the Association agree to encourage everyone, regardless of position or profession, to perform in an efficient, courteous and dignified manner when such individuals interact with fellow employees, patients and the public.

300 ARTICLE III – RIGHTS OF MANAGEMENT

301 All the rights of management vested solely in the Employer in the operations of its business are limited only by the specific provisions of this Agreement.

302 The parties agree that the role of the Health Care Professional is to ensure the highest level of professional care.

303 However, the Employer agrees not to transfer or change the status of the existing Health Care Professional positions to an exempt status, other than those duties that are defined as supervisory functions under the definition of the National Labor Relations Act (NLRA).

304 The parties agree to work together to resolve issues concerning skill mix or changes in care delivery in the interest of quality patient care and the efficiency of operations. When the parties cannot agree, a three (3) person panel will be convened. The panel will be comprised of one (1) member from each organization (the Employer and the Association) and a neutral third (3rd) party to be selected by the Employer and the Association. The cost will be shared equally for the neutral party, while each will compensate their member.

305 The panel will review the issue(s) and each party's assessment of the issue(s). The panel will make a non-binding recommendation including an assessment of potential impact on patient care within fourteen (14) workdays after their meeting unless an immediate decision can be rendered. If the recommendation is not accepted by the parties, the issue(s) and recommendation will be referred to the Regional Manager and Medical Director (or their designees) for final determination; designees are limited to individuals reporting directly to the Regional Manager or Medical Director. The final determination consistent with their commitment to maintain and improve upon the high level of quality patient care of the panel of three (3) or the Regional Manager and Medical Director is not subject to the Grievance and Arbitration Procedure.

306 If positions are deleted based on the aforementioned process, the following efforts will be evaluated and revised as necessary during the term of the Agreement to ensure that layoffs do not occur, unless at the option of the affected Health Care Professional. Any reduction in hours or deletion of positions as a result of this process may be subject to the Article XI - Seniority provisions of the Collective Bargaining Agreement.

307 Relocation of the nurse to a vacant position within the Member Service Area (MSA) or to any location within a reasonable geographic distance.

308 Creation of service float pools for an Area or MSA.

309 Retraining to assume other vacant positions with Regional funding and the use of available State and Federal funding. It is understood, however, that critical vacancies requiring extensive training (such as O.R.) cannot be held open.

310 Placement in Per Diem positions with priority placement for all hours up to the employee's prior status. (Declined hours would count towards the Employer's commitment.)

311 Solicit for voluntary layoffs on a Region-wide basis and provide training to back fill positions vacated.

312 Any changes in the skill mix or care delivery system following this process will be reviewed by the parties at three (3) month intervals for the first (1st) year following implementation to determine if the desired patient care outcomes and satisfaction ratings for both patients and employees have been improved.

313 Further, the parties commit to the establishment of a Regional Level Work Force Planning Committee to identify areas where Health Care Professionals may be impacted by changes in care delivery systems, as well as areas for retraining to other clinical specialties. This training could include Home Health, Critical Care, Operating Room, or other areas identified. The Committee will convene within thirty (30) days of ratification.

400 ARTICLE IV – STRIKES AND LOCKOUTS

401 In view of the importance of the operation of the Employer's facilities to the community, the Employer and the Association agree that there will be no lockout by the Employer, and no strikes or other interruptions of work by the Association or its member Health Care Professionals during the term of this Agreement, and that all disputes arising under this Agreement shall be settled in accordance with the Grievance and Arbitration Article.

500 ARTICLE V – MEMBERSHIP

501 Requirements

502 It shall be a condition of employment that all Health Care Professionals of the Employer covered by this Agreement shall remain members of the Association in good standing. For the purpose of this Article, membership in good standing is satisfied by the payment of

uniform and customary initiation fees, periodic dues and reinstatement fees required by the Association, except to the extent modified by Paragraph 514 herein. It shall also be a condition of employment that all Health Care Professionals covered by this Agreement and hired on or after its execution date shall, within thirty one (31) days following the beginning of such employment, become and remain members in good standing in the Association.

503 Maintenance

504 Health Care Professionals who are required hereunder to maintain membership and fail to do so, and Health Care Professionals who are required hereunder to join the Association and fail to do so, shall upon notice of such action in writing from the Association to the Employer, be notified of their delinquent status and that the Association is requesting the delinquent monies. If the Health Care Professional refuses to comply, termination may be necessary. However, it is understood that all reasonable efforts will be made to correct the situation before termination is justified.

505 New Health Care Professional Notice

506 At the time of employment, a copy of this Agreement shall be given by the Employer to each Health Care Professional covered by this Agreement and specific attention shall be called to the obligation of this provision. The Employer shall also give to each Health Care Professional covered by this Agreement at the time of employment, the current Association form authorizing voluntary payroll deduction of monthly dues.

507 Within thirty (30) days after the execution date of this Agreement, the Employer will provide the Association with a master list of all employed Health Care Professionals who are subject to the provision of this Agreement giving names, addresses, classifications and dates of employment.

508 On or before the tenth (10th) of each month, subsequent to the establishment of the master list, the Employer will forward to the Association the names, addresses, classifications and dates of employment of new Health Care Professionals and the names of those Health Care Professionals who have resigned or who have been terminated.

509 Payroll Deduction of Association Dues

510 The Employer will deduct Association membership dues and initiation fees from the wages of each Health Care Professional who voluntarily agrees to such deductions and who submits an appropriate written authorization to the Employer, setting forth standard amounts and times of deduction. Once signed, the authorization cannot be canceled for a period of one (1) year from the date appearing on such written authorization or within a fifteen (15) day period prior to the termination date of the current Agreement between the Employer and the Association, whichever occurs first. Dues deductions shall be made monthly and remitted to the Association.

511 Indemnification

512 The Association shall indemnify the Employer and hold it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Employer for the purpose of complying with this Article.

513 Exemptions

514 As provided by Federal law, employees of health care institutions are eligible to claim a religious exemption. Such cases shall be handled separately, and any agency of the employees' local United Fund (or equivalent) shall be used in compliance.

600 ARTICLE VI – NON-DISCRIMINATION

601 The Employer and the Association agree that there shall be no discrimination against any Health Care Professional or applicant because of race, color, religion, creed, national origin, ancestry, sex, age, physical disability, mental disability, veteran status or marital status as provided by law.

602 There shall be no distinction between wages paid to men and wages paid to women for the performance of comparable quality and quantity of work on the same or similar jobs.

700 ARTICLE VII – ASSOCIATION REPRESENTATION

701 Registered Nurse Committee

702 There shall be a Registered Nurse Committee which will meet with Management representatives of the Employer on a scheduled basis to review matters pertinent to this Agreement and to professional concerns. Specifically excluded from such meetings will be subjects under the grievance procedure. The RN Committee shall utilize the principles of the Labor Management Partnership (i.e. Interest Based Problem Solving, Consensus Decision Making, etc.).

703 The Management representatives will generally be a Medical Center Administrator, Nursing Executive or designee, Human Resources Leader and others as required by the Employer.

704 The Registered Nurse Committee will normally be comprised of the Local Affiliate Executive Committee.

705 A written agenda will be mutually agreed upon normally two (2) weeks prior to any scheduled meeting.

706 The Employer agrees that during the course of such meetings, members of the Registered Nurse Committee shall be afforded pay for time spent in such meetings, up to a maximum of two (2) hours pay. It is also agreed that those members designated by the Executive Committee who attend such meetings shall be paid for the actual time that may be needed in attendance, up to a maximum of two (2) hours pay.

707 Meetings may be scheduled on a monthly basis during the first (1st) year of the Agreement. Thereafter, meetings will be quarterly as requested by the Association. The Parties may mutually provide for additional meetings where a need exists.

708 The Employer recognizes the need for and will participate in meetings to discuss issues unique to specific groups of Registered Nurses such as Registered Nurse Practitioners. From time to time, the Registered Nurse Committee may suggest meetings of special ad hoc groups to resolve such issues.

709 Association Representatives

710 The Association will be allowed to appoint a reasonable number of Association Representatives to handle disputes as defined in the Grievance and Arbitration Article.

711 The Association Co Chairpersons (or President where applicable) will be the Chief Representatives of the Association within the Medical Center.

712 Association Representatives (including Association Co Chairpersons or President where applicable) will notify their immediate supervisor when required to participate in Association business during work hours. Association Representatives will be paid for time spent during scheduled work hours when participating in grievance or disciplinary meetings with Management. Requests for participating in Association business will not be unreasonably denied. Whenever possible, twenty-four (24) hours advance notification should be given to supervision. In instances when an Association Representative is required on short notice, i.e., the same day, the Association Representative will consult with their supervisor to arrange a satisfactory time.

713 There shall be no discrimination by the Employer against any Health Care Professional because of membership in or activity on behalf of the Association, provided that such activity does not interfere with the Health Care Professional's regular duties. Association Representatives shall not be transferred or reassigned to another area of work as a result of Association activities.

714 Association Leave of Absence

715 A Health Care Professional who becomes a Full-Time Association Officer may request and receive a leave of absence for Association business for two (2) calendar years. Upon completion of the two (2) year leave of absence, the concerned Health Care Professional must return to work for the Employer for one (1) full year prior to being eligible for another such leave. Requests for such leaves are to be submitted on the appropriate form provided by the Employer.

716 No Employer-paid benefits will apply to any part of an Association business leave of absence; however, the Health Care Professional shall continue to accrue Health Care Professional affiliate facility seniority during the leave. The Health Care Professional may elect to continue Health Plan Coverage, Dental Plan and Group Life Insurance coverage by paying the premiums during the period of leave.

717 Upon return from an Association leave of absence, the Health Care Professional shall be reinstated in the same assignment in which previously employed before commencement of the leave. However, if conditions have so changed that it would be unreasonable to so reinstate the Health Care Professional in the same assignment, the Employer will provide an assignment in a classification as may be reasonable under the circumstances and give the Health Care Professional first (1st) consideration for promotion and/or assignment when a comparable vacancy does occur.

718 Bulletin Boards

719 The Employer will provide one (1) glass enclosed, locking bulletin board at each primary location where Health Care Professionals are regularly employed for the exclusive use of the Association. Placement will be by mutual agreement.

720 All material to be posted must receive prior approval of the Human Resources Leader. In lieu of the Association being able to obtain advance approval, one (1) file copy will be provided the Employer.

800 ARTICLE VIII – DISCIPLINE

801 The Employer shall discipline, suspend or discharge any Health Care Professional for just cause only.

802 All Health Care Professionals shall have the right to have an Association Representative present at any meeting with supervisors or Management representatives when such meetings are accusatory or disciplinary in nature. Management will advise the concerned Health Care Professional if the intent of the meeting is to be investigatory, accusatory or disciplinary in nature.

803 The Employer shall notify the State Association of a discharge within seven (7) workdays stating the reason for the action taken. Such notice may first be made by telephone, with written confirmation to be made as soon thereafter as is reasonable. In the event an Association Representative is present during the termination, the Association will be deemed to have been notified. Receipt by a Local Affiliate officer of the Notice of Disciplinary Action will constitute notification as referred to in this Paragraph.

804 If the Association is not notified within seven (7) workdays, the termination will be considered automatically appealed to Step Two of the Grievance Procedure.

805 Health Care Professionals will receive copies of all disciplinary notices placed in their personnel files and shall have the right to rebut in writing any disciplinary notice. Such rebuttal shall be attached to the disciplinary notice and placed in the personnel file. Any materials relating to discipline for which there has been no reoccurrence for one (1) year shall not be used as a basis for progressive discipline in any future matters and will be removed after one (1) year. The Health Care Professionals shall have the right to review their personnel files to ensure the outdated disciplinary notices have been removed.

806 It is the intent of the Employer to utilize progressive discipline in normal circumstances. The discipline imposed will be appropriate to the offense. Where deemed appropriate, the Employer may elect to use informal corrective action such as verbal counseling and documented counseling prior to the issuing of formal discipline. Formal discipline imposed may include any or all of the following: written Notice of Disciplinary Action, suspension and/or discharge. However, Health Care Professionals may be discharged for gross misconduct or gross neglect of duty without prior warning.

807 Personnel Record Information

808 The Employer shall provide copies of Notices of Disciplinary Action to the appropriate Association Co Chairperson within five (5) workdays. In the event an Association Representative is present during the discipline, the Association will be deemed to have been notified. The Employer shall notify a Local Affiliate officer when Alternative to Discipline is being utilized. The Local Affiliate officer will be provided with the name of the employee, the date of the meeting and the level of Alternative to Discipline within five (5) workdays of the meeting.

809 All Notices of Disciplinary Action are subject to the Grievance and Arbitration Procedure except notices of termination issued to probationary employees as referenced in Paragraph 1006.

810 The Employer further agrees, upon request, with the written consent of the Health Care Professional and accompanied by the Health Care Professional, to show the Association Representative any material in the personnel record which is germane to an alleged infraction by the Health Care Professional, in accordance with established procedures.

811 In any case where the Employer and Association Representative agree to revise personnel record materials, the Employer shall, upon request, provide evidence of the revision.

812 To satisfy governmental record keeping requirements, copies of such notices shall be permanently maintained in a separate file to which supervisors shall not have access.

900 ARTICLE IX – GRIEVANCE AND ARBITRATION PROCEDURE

901 Grievance Procedure

902 Any complaint or dispute arising between a Health Care Professional and/or the Association and the Employer concerning the interpretation or application of the provisions of this Agreement or any questions relating to wages, hours of work, or other conditions of employment, shall be resolved in accordance with this Article. However, it is the intent of the parties to resolve any and all disputes at the earliest possible step of the grievance process and to disclose any and all relevant facts and information that pertain to the issue in dispute.

903 Association grievances filed on behalf of a group of Health Care Professionals, matters relating to contract interpretation, job classification or wage administration, discipline and discharge cases will be filed directly at Step Two, within thirty (30) calendar days after the Association had knowledge, or should have had knowledge, of the event which caused the grievance or complaint, by the Local Affiliate officer or designee.

904 Association grievances filed on behalf of a group of Health Care Professionals in more than one (1) affiliate will be filed directly at Step Three by an Association State Officer or Staff Representative within thirty (30) calendar days after the Association had knowledge, or should have had knowledge, of the event which caused the grievance or complaint.

905 First Step

906 A Health Care Professional who believes a grievance or complaint exists will discuss such matter with the immediate supervisor, with or without an Association Representative present, as the Health Care Professional may elect. In the event the dispute remains unresolved, the Health Care Professional may submit a grievance in writing within thirty (30) calendar days after the Health Care Professional had knowledge, or should have had knowledge, of the event which caused the grievance or complaint. The written grievance shall state the facts and the requested remedy. It is the intent every reasonable effort be made between the parties to resolve differences.

907 After a grievance or complaint has been submitted to the immediate supervisor, the supervisor shall respond in writing to the Health Care Professional within ten (10) calendar days.

908 Second Step

909 If the grievance is not resolved, nor an answer received from the supervisor in the first step within the specified time, the grievance shall be reduced to writing on the standard form provided by the Association. Within fifteen (15) calendar days, the Association Representative shall submit the written grievance to the local area Human Resources Leader or designee.

910 The Second Step hearing is to be convened within ten (10) calendar days with the appropriate Clinical Director or Department Administrator for the Hospital or for the Medical Office, and the Human Resources Leader or designee for the Employer, and the Association Co Chairperson, Association Representative, and the grievant as required for the Association. Nursing expertise will be made available where required.

911 The Second Step answer is to be made by the Human Resources Director, or designee, within ten (10) calendar days following conclusion of the hearing. The Second Step answer will also be forwarded to the State Office. While there is not a penalty for failure to send to the State Office, absence of such does not mitigate the Employer's commitment to comply.

912 Third Step

913 Appeals to the Third Step of the grievance procedure must be made within ten (10) calendar days following the date the Step Two answer was received. Appeals will be directed to the Regional Labor Relations Department.

914 A Third Step hearing will be held at a time mutually agreed upon by the parties. A representative of the Regional Labor Relations Department shall preside for the Employer, and a State Officer or Staff Representative for the Association. Either party may include additional representatives at the Third Step who have been involved in the grievance in prior steps.

915 The Third Step answer is to be made within ten (10) calendar days following conclusion of the hearing(s).

916 Arbitration

917 The Association will have ten (10) calendar days following receipt of the Step Three response, in which to appeal the grievance to arbitration.

918 Appeals to arbitration will be made by letter to the Labor Relations Representative.

919 The Arbitrator may be mutually agreed to by the parties or the parties will mutually draft and sign a request to the Federal Mediation and Conciliation Service for a panel of five (5) Arbitrators. Selection of the Arbitrator shall then be made by each party alternately striking names, and the Arbitrator shall be the remaining name. Choice of first (1st) striking shall be by lot.

920 Arbitrators are only authorized to provide interpretation of the application of this Agreement, and shall have no power to add, to subtract, to alter, or to amend any portion of the Agreement. An Arbitrator has no authority to order an interest payment, damages nor expenses in conjunction with any back pay award.

921 The decision of the Arbitrator shall be final and binding on the parties. Decisions are to be rendered within thirty (30) calendar days of the final presentation of evidence. Extension shall be by mutual agreement of the parties.

922 Expenses of arbitration shall be shared equally by the parties. Each party will be responsible for the cost of its representation and witnesses.

923 The grievant shall be permitted time off work to attend the arbitration proceedings. Said time shall be without pay, unless arrangements have been made for the grievant to receive vacation pay. In addition, any approved time off granted for arbitration preparation shall be either approved vacation pay or without pay.

924 Following the appeal of a grievance to arbitration, the parties may schedule a pre arbitration meeting for the final evaluation of facts and conducting related business.

925 Mediation

926 A grievance may only be referred to mediation by mutual agreement of the parties following a timely appeal to arbitration.

927 The Mediator shall be selected by mutual agreement of the parties. The Mediator shall serve for a one (1) day session and is thereafter subject to removal by either party. In the event the parties are unable to agree upon the selection of a Mediator, this mediation procedure shall not be effective. The parties may select more than one (1) Mediator to serve in future sessions, and if such is done, the Mediators will rotate one (1) day assignments, unless removed.

928 The expenses and fees of the Mediator shall be shared equally by the parties.

929 Attendance at mediation sessions shall be limited to the following:

Association:	Spokesperson
	Assigned Association Officer
	Grievant
Employer:	Spokesperson
	Labor Relations Representative
	Human Resources Office Representative
Observers:	By mutual agreement, either party may invite observers limited to a reasonable number who shall not participate in the mediation process.

930 Neither attorneys nor court reporters nor any type of note takers shall be allowed to be present at the proceedings.

931 The mediation proceedings shall be entirely informal in nature. The relevant facts shall be elicited in a narrative fashion by each parties' spokesperson to the extent possible, rather than through the examination of witnesses. The rules of evidence will not apply and no record of the proceedings will be made.

932 Either party may present documentary evidence to the Mediator, which shall be returned to the parties at the conclusion of the proceedings.

933 The primary effort of the Mediator should be to assist the parties in settling the grievance in a mutually satisfactory manner. In attempting to achieve a settlement, the Mediator is free to use all of the techniques customarily associated with mediation, including private conferences with only one (1) party.

934 If settlement is not achievable, the Mediator will provide the parties with an immediate opinion, based on the Collective Bargaining Agreement, as to how the grievance would be decided if it went to arbitration. Said opinion would not be final and binding, but would be advisory. The Mediator's opinion shall be given orally together with a statement of reasons for such.

935 The Mediator's verbal opinion should be used as a basis for further settlement discussion, or for withdrawal or granting of the grievance. The Mediator, however, shall have no authority to compel the resolution of the grievance.

936 If the grievance is not settled, withdrawn or granted pursuant to these procedures, the parties are free to arbitrate.

937 If the grievance is arbitrated, the Mediator shall not serve as the Arbitrator. Neither the discussions nor the Mediator's opinion will be admissible in a subsequent arbitration proceeding.

938 Should the mediation be scheduled during the grievant's shift, the grievant will be permitted time off work, subject to staffing availability, to attend mediation proceedings, without loss of pay. Association observers may request time off for Association business without pay.

939 <u>General</u>

940 No settlement decision of any Arbitrator, or of the Employer, in any one(1) case shall create a basis for retroactive adjustment in any other case.

941 A grievance involving paycheck clerical errors may be presented up to one (1) year from the date of such error.

942 Either party may elect to include additional representatives at any step of the Grievance Procedure.

943 Grievances shall either be filed on behalf of an individual employee or a group of employees via class action. Class action grievances must specify the affected employees by department, entity or medical center. Back pay liability shall be limited to claimed contract violations that occurred within a thirty (30) calendar day period prior to the filing of the grievance, unless mutually agreed to otherwise by the parties.

944 Time Limits

945 Time limits may be extended by mutual agreement of the parties. Any step of the grievance procedure may be mutually waived, however, no matter may be appealed to arbitration without having first been processed through at least one (1) formal step of the grievance procedure.

946 If the Employer does not act within the time limits provided at any step, the Association may proceed to the next step as it elects. Any grievance not filed or appealed timely is automatically considered settled. The date used to determine the timeliness of an appeal shall be the date of the postmark or the date received by the Employer. The date used to determine the timeliness of the Employer's response shall be the date of the postmark or the date received by the Association.

947 If the Employer is not responding in a timely fashion, the Association will appeal the grievance expeditiously, without the Employer's response.

948 Access Rights of Association Representatives

949 Officers and Representatives of the Affiliate Association and/or State Association shall be permitted access to the Employer's facilities. The Employer shall permit the State Association Representatives to conduct Association business provided the Human Resources Leader is notified and that no interference of the work of Health Care Professionals shall result. If it is necessary for Representatives to conduct Association business during other than normal business hours, the Human Resources Leader or, if not available, nursing supervision should be notified.

950 The parties agree to the value of the Association meeting with newly hired Health Care Professionals who are Bargaining Unit Members. As a result, the local affiliate officers shall have access to New Employee Orientation to meet with the newly hired Health Care Professionals.

951 The parties shall, at a local level, meet with the appropriate stakeholders (for example, Education, UNAC/UHCP Representatives, Human Resources, etc.) to identify length of time and time of day when the local affiliate officers or designee(s) shall meet with newly hired Health Care Professionals. If agreement is not reached, the issue shall be placed upon the Association Representative and the appropriate Labor Relations Representative. Should agreement not be reached, the dispute shall be placed immediately before a third party neutral.

1000 ARTICLE X – PROBATION AND EVALUATION

1001 New Hire Probation

1002 Each newly hired Health Care Professional, those hired after a break in continuous service, and those who transfer from another represented or unrepresented employee group, or region (with the exception of Health Care Professionals who are hired into one UNAC/UHCP affiliate from another UNAC/UHCP affiliate), will serve a basic ninety (90) calendar day probationary period. All new Health Care Professional graduates' probationary period will begin upon completion of orientation. Upon completion of the original period, if the Health Care Professional cannot be properly evaluated for purposes of retention, the Employer may extend the new hire probationary period up to an additional sixty (60) calendar days, and the Health Care Professional will be advised of the extension and the purpose.

1003 During each newly hired Health Care Professionals probationary period, Management will notify the Association immediately upon identification of any performance issues which need to be addressed. Notification will result in a joint meeting to include the Health Care Professional, Management representatives, and Local Affiliate representatives in an attempt to resolve the issues. Notice is not required if the Health Care Professional is successfully completing the probationary period. Midway through the probationary period, the Association will meet with the Health Care Professional to address issues and/or concerns that the Health Care Professional may have.

1004 Probationary periods may be extended by any absences.

1005 Nothing in this Article implies a delay in the Health Care Professional becoming a member in good standing of the Association.

1006 During the probationary period, a Health Care Professional may be dismissed for any reason without recourse to the grievance procedure. However, this does not preclude a probationary employee from filing grievances related to contractual violations or disputes such as pay errors, improper cancellation, etc.

1007 Orientation for newly hired Health Care Professionals shall take place within the first (1st) sixty (60) calendar days of employment, the purpose being to better acquaint the Health Care Professional with the Employer's operations as an aid in developing the best employment relationships.

1008 A list of all new Health Care Professional orientees covered by this Agreement will be sent to the Association Representative. During the orientation, the Human Resources Leader will distribute a copy of this Agreement and an introductory letter prepared by the Association, approved by Management, describing the Association and informing all new Health Care Professionals who their Association Representatives are and their locations in the Medical Center.

1009 Health Screen

1010 Prior to or during the first (1st) thirty (30) days of employment, each Health Care Professional shall be given, and is required to successfully complete a health screen.

1011 Performance Evaluation

1012 All Health Care Professionals will be reviewed annually by their Supervisor. All Health Care Professionals will be given an opportunity to read and comment upon formal performance evaluations prior to the placement of such in their personnel files. Copies of such material shall be given to the Health Care Professional at the time such documents are issued. The Health Care Professional may indicate any agreement or disagreement on the evaluation form and attach comments regarding such agreement or disagreement to the evaluation form. Any area indicated as improvement needed on the evaluation form will be rediscussed with the concerned Health Care Professional approximately six (6) months after the issuance of the evaluation. The Health Care Professional shall sign and date such material only as proof of receipt. The Performance Evaluation is not intended to be used as a means of discipline. Therefore, the content of such evaluation is not subject to the Grievance Procedure. The Performance Evaluation will not be used as a basis to deny transfers pursuant to Article XII.

1100 ARTICLE XI – SENIORITY

1101 General

1102 Health Care Professional affiliate facility seniority as used in this Agreement shall be defined as the period of continuous service beginning with the date the employee enters a Health Care Professional classification in an affiliate facility included in this Agreement. Affiliate facility seniority shall be utilized for the purposes of job bidding, vacation and holiday selection, reductions in force, transfers and promotions. Although eligibility dates may be adjusted to reflect service, affiliate facility seniority for Health Care Professionals is always the date he/she enters a Health Care Professional classification at a UNAC/UHCP affiliate facility included in this Agreement, and is not adjusted. This shall apply to both Full-Time and Part-Time Health Care Professionals; except for the purposes of promotions and transfers, total number of hours worked will be used to determine affiliate facility seniority for Part-Time and per diem Health Care Professionals. When a Health Care Professional transfers to another Kaiser UNAC/UHCP affiliate facility, the affiliate facility seniority date for all purposes will be adjusted to reflect that start date. In the event that such Health Care Professional returns to their original facility within six (6) months of the date of transfer, the Health Care Professional will retain all previously accrued service credit for wages and benefits, and will retain all previously accrued affiliate facility seniority. In this situation, all

time is counted for seniority including the time that Health Care Professional was outside his or her original facility (the Health Care Professional is treated as though he or she never left the original facility).

1103 When a Health Care Professional's eligibility date is adjusted, the local Human Resources Office shall notify the Health Care Professional in writing of such change.

1104 On an annual basis, either party may request the review of departmental/unit level seniority lists for purposes of determining the accuracy of such.

1105 Reduction in Force and Recall

1106 Force reduction and recall shall be accomplished by department and classification. In a reduction in force, the principle of affiliate facility Health Care Professional seniority shall govern. Force reduction shall be implemented on an entity basis. The Employer will give reasonable notice of any reduction in force.

1107 A Health Care Professional whose position has been eliminated in a force reduction will be placed into any vacant position of the same status for which the Health Care Professional is qualified. If no such position exists, the affected Health Care Professional may displace the least senior Health Care Professional, within his/her status, provided he/she is qualified for said position. If the affected Health Care Professional is the least senior Full-Time Health Care Professional, he/she may displace the least senior Part-Time Health Care Professional. In the event the displacing Health Care Professional does not meet the requirements for the position held by the junior Health Care Professional, the position held by the next least senior Health Care Professional may be claimed, provided the entry level requirements are met and so on. The Health Care Professional displaced by such action shall be placed on layoff status. In the event an employee does not select a vacant position or elect to displace a less senior employee, he/she may elect voluntary layoff. In this case, recall provisions will apply.

1108 A Health Care Professional affected through the application of Paragraph 1106 shall be placed on a recall list for twelve (12) months for preferential consideration for a position comparable to their previous position. Health Care Professionals who decline an offer for a comparable position or who voluntarily transfer to another position will be removed from the preferential list.

1109 A Health Care Professional whose position is to be eliminated due to a force reduction shall have ten (10) days from notification of reduction to exercise affiliate facility seniority in the foregoing manner. In the event such seniority is not exercised, the Health Care Professional shall be placed on layoff status.

1110 Laid off Health Care Professionals shall be listed, by Health Care Professional affiliate facility seniority, on a recall list and will be subject to recall for a period of twelve (12) months.

1111 Loss of Seniority

1112 A Health Care Professional shall lose affiliate facility seniority, as specified in this Article, as a result of any of the following:

1. Voluntary termination of employment
2. Discharge for just cause
3. Failure to return from a Leave of Absence
4. Failure to return to work following recall
5. Retirement.

1113 Return to the Bargaining Unit

1114 A Health Care Professional who transfers out of the bargaining unit to another job with the Employer not covered by this Agreement, shall have full return rights to a comparable job or all lower rated jobs in the affiliate facility, provided that such return occurs within a six (6) month period. In this situation, all time is counted for affiliate facility seniority including the time that the Health Care Professional was out of the affiliate facility (the Health Care Professional is treated as though they never left the affiliate facility).

1115 A Health Care Professional who transfers out of the bargaining unit to another job with the Employer not covered by this Agreement and who returns to the bargaining unit at the same affiliate facility following the six (6) month period, shall retain all previously earned service credit. Previously accrued affiliate facility seniority will be retained solely for the purpose of a reduction in force. Affiliate facility seniority for bidding on jobs, vacation and holiday selection shall begin to accrue on return to the unit.

1116 A Health Care Professional who has six (6) months of service and who terminates employment and returns to the bargaining unit within six (6) months will retain all previously accrued service credit for wages and benefits, and will retain all previously accrued affiliate facility seniority. Prior sick leave credit will be restored for employees rehired within six (6) months.

1117 Cancellations (KTO)

1118 In the event it is necessary for the Employer to cancel Health Care Professionals, the Health Care Professionals shall be canceled according to the following procedure:

1. Registry (Including Travelers)
2. Overtime (Unscheduled Work Time)
3. Volunteers
4. Per Diem/Temporary
5. Part-Time/Irregularly Scheduled Part-Time on Additional Hours
6. Irregularly Scheduled

1119 If a Health Care Professional receives a MKTO which puts her/him below scheduled hours in a pay period, s/he may request to be placed on a Priority List for a comparable shift and units for which s/he is qualified at non-premium overtime rates. When work is available, it will be offered first to Health Care Professionals on the Priority List by affiliate facility seniority, by rotation. If work is declined or assumed, the Health Care Professional is removed from the Priority List. If a Health Care Professional receives more than one (1) MKTO in a pay period and has not worked additional hours, s/he has the option of displacing a Per Diem Health Care Professional's work shift in that schedule and an additional schedule, for a total of two (2) schedules for units for which s/he is qualified. Priority assignment is only applicable provided no premium overtime results.

1120 In the event it is necessary to cancel additional Health Care Professionals, such shall be done by unit, on a rotational basis of Health Care Professionals, including Charge Registered Nurses, with less than seven (7) years of affiliate facility seniority. If no Health Care Professional on the unit has less than seven (7) years of affiliate facility seniority, all Health Care Professionals will be included in the rotation, including Charge Registered Nurses.

1121 It is understood that KTO will be distributed equitably on the aggregate.

1122 Health Care Professionals will assist Management in setting up the rotation and tracking whose turn it is to be on KTO.

1123 Employees KTO'd, may use their vacation/Personal days for the day on which they were KTO'd.

1200 ARTICLE XII – JOB POSTINGS AND FILLING VACANCIES

1201 Job Postings

1202 All Health Care Professional job vacancies, in classifications covered by this Agreement, will be posted for seven (7) calendar days. In the event that a position is posted as "willing to train," such position shall be awarded to the most senior applicant. All job postings shall be provided to the Local Affiliate Co-Chairs/Presidents at the time of posting. This shall occur in either paper or electronic format. All qualified Health Care Professionals who submit transfer or promotion requests after the seven (7) day posting period shall be given equal consideration with outside applicants, and if all candidates (internal and external) are equally qualified at the conclusion of the screening and interview process, said candidates will be given preference first by the local affiliate where the job is posted, then by outside KP affiliates. The tiebreaker for purposes of this paragraph will be the date of hire as a KP Health Care Professional. It is understood that Management maintains the final hiring decision.

1203 Health Care Professionals shall be eligible to transfer to a job opening three (3) times within a calendar year starting from their date of hire. New hires will be allowed one (1) transfer during their probationary period, provided that the position would otherwise be filled from the outside. Such transfers will be considered one (1) of the three (3) allotted annual transfers.

1204 Any specific job requirements for particular job openings, which demand special qualifications, will be listed on the posted Notice of Job Opening. If Management modifies or changes the job requirements after the position is posted, the position will be re-posted and previous applicants as well as new applicants will be considered for the new posting. The Employer will notify local affiliate officers of any re-posting of positions. Regional job qualifications will be reviewed, modified or amended annually or as requested by either party. The review will be conducted by the Levels Review Committee with the addition of the appropriate stakeholders (e.g., UNAC/UHCP, Labor Relations, Human Resources, Hospital/Medical Group representatives, etc.).

1205 The Association recognizes the right of the Employer to establish job requirements for all positions in the UNAC bargaining unit and to change such requirements from time to time as necessitated by efficient operations and quality patient care. In all cases, job requirements shall be reasonably related to work performed. The State Office will be notified when the Employer modifies or changes job requirements. The Association reserves the right to object to any job requirement through the grievance procedure. In any such grievance, the Employer shall have the burden of proof that the protested job requirement is reasonably related to the work performed.

1206 Notice of Vacancies

1207 The Human Resources Office will advise the Local Affiliate Co-Chair/President in writing of all job vacancies, regular and temporary. Such notice will be given within ten (10) days from the date of the job opening. In the event that Management decides not to fill a vacancy, the Local Affiliate Co-Chair/President will be informed via electronic or paper format at the time such decision is made. A process will be jointly developed locally to provide the RN Committee with a quarterly update regarding status of vacant positions not posted.

1208 Filling of Vacancies - Promotion

1209 "Promotion" shall mean a change in classification to a Senior or Charge Nurse position, or a Registered Nurse hired into a Registered Nurse Practitioner or Physician Assistant position. Promotions to a Registered Nurse Practitioner position shall be handled in accordance with Article XIX.

1210 Registered Nurses who have applied for promotion will be considered for placement based on the following criteria and in the order set forth:

1. Meets requirements of job opening
2. Has demonstrated ability
3. Registered Nurse affiliate facility seniority

1211 Wherever the qualifications and demonstrated abilities of two (2) or more Health Care Professionals bidding for the same job opening are relatively equal, then individual Health Care Professional affiliate facility seniority shall be the determining factor in filling the said opening.

1212 When two (2) or more Health Care Professionals hold the same Health Care Professional affiliate facility seniority date, the Health Care Professional who has the earliest dated employment application form from which the Health Care Professional was originally hired shall prevail. In the event the preceding is insufficient to determine a relative affiliate facility seniority position, affiliate facility seniority will be determined by lottery.

1213 Health Care Professionals who qualify for and are accepted for promotion, as specified above, shall receive a new job trial period of sixty (60) calendar days for Full-Time Health Care Professionals and forty (40) working days for Part-Time Health Care Professionals. Should the Health Care Professional fail to meet the requirements of the new job, the Health Care Professional may be returned to the former job assignment, or to a comparable job in the classification held prior to promotion. A comparable job is defined as either on the same shift or in the same unit as previously held. The Health Care Professional may personally elect to return to the former job within the new job trial period. If during the trial period, a Health Care Professional voluntarily elects to return to their former job, the next affiliate facility senior qualified bidder will be awarded the position. If during the trial period, a Health Care Professional is returned to their former job assignment or comparable position on a non-voluntary basis, the position will be re-posted and previous applicants for that position, as well as new applicants for the position will be considered in filling the vacancy.

1214 Filling of Vacancies - Transfer

1215 "Transfer" shall mean a change from one position to another position, except as specified in Paragraph 1209.

1216 Health Care Professionals shall be eligible to apply for transfer. In granting shift, department and entity transfers, such transfers will be granted on the basis of affiliate facility seniority provided the Health Care Professional meets the posted job requirements. Health Care Professionals who are transferred to another assignment shall undergo a new job trial period of thirty (30) calendar days for Full-Time Health Care Professionals and twenty (20) working days for Part-Time Health Care Professionals. For transfers resulting in a move to any of the Specialty Units, as defined in Paragraph 1720, the Emergency Room, into a

Public Health Nurse position, or a Home Care position, the trial period will automatically be extended an additional thirty (30) calendar days for Full-Time Health Care Professionals and twenty (20) working days for Part-Time Health Care Professionals. Should the Health Care Professional fail to qualify for the new assignment, or elect to return to the former assignment during the trial period, the Health Care Professional shall be returned to the former or comparable assignment. If during the trial period, a Health Care Professional voluntarily elects to return to their former job, the next affiliate facility senior qualified bidder will be awarded the position. If during the trial period, a Health Care Professional is returned to their former job assignment or comparable position on a non-voluntary basis, the position will be re-posted and previous applicants for that position, as well as new applicants for the position, will be considered in filling the vacancy.

1217 The Employer may request an extension of the trial period for transfers for a period of time not to exceed an additional thirty (30) calendar days. Such extensions will be made with the mutual consent of the Association and the Health Care Professional will be so advised of the purpose and the duration.

1218 Affiliate facility seniority will be considered in granting positions in educational training courses offered by the Employer for the Specialty Units as defined in Paragraph 1721. In addition, Health Care Professionals will be given first opportunity for enrollment in training programs over new graduates, inexperienced new hires and interim permitees.

1219 Interfacility Transfer or Promotion

1220 When a Health Care Professional transfers from one UNAC/UHCP affiliate facility to another UNAC/UHCP affiliate facility unit, the Health Care Professional will be treated as a transfer or promotion pursuant to this Article.

1221 The Employer agrees that UNAC/UHCP Health Care Professionals transferring from a Kaiser Permanente medical care facility within the Southern California Region to a Medical Center where another UNAC/UHCP Agreement is in effect, will retain their full length of service provided that the time between leaving the other facility and commencing employment under such Agreement does not exceed six (6) months for purposes of accruing vacation, sick leave, Personal days, retirement benefits and tenure salary step.

1222 Inter-Regional Transfer

1223 Health Care Professionals transferring to the Southern California Region from another region will receive previous service credit for benefits and placement on the wage structure.

1224 Notification Regarding Transfer Request

1225 Health Care Professionals who have applied for either transfer or promotion will be notified in writing within three (3) weeks after the position has been filled as to the granting of the posted position.

1226 Once notified of the granting of a position, the concerned Health Care Professional will acknowledge acceptance of the position within twenty-four (24) hours.

1227 Notice of Termination

1228 In recognition of difficulties which may be imposed on the Employer to obtain and train replacements for Health Care Professionals who terminate, Health Care Professionals who plan to terminate their employment should submit written notice of their intended resignation to the Employer as far in advance as possible, allowing at least two (2) weeks' notice.

1300 ARTICLE XIII – HEALTH CARE PROFESSIONAL VACANCIES

1301 If a Health Care Professional position under this Agreement becomes vacant and the Employer chooses either to not fill the position or to fill it with a non Health Care Professional employee, the Employer shall notify the State Association of such decision. The Employer shall meet at the Association's request to discuss the reason for such decision.

1302 In the event the Employer fails to notify the Association as outlined above, the Nursing Director for the Hospital or the Medical Group Administrator for the Medical Group will personally meet with the Association, upon their request, to discuss the reasons for such, and the reason that the Association was not notified. As a result, the subject position may be returned to the bargaining unit.

1400 ARTICLE XIV – NEW OR REVISED JOBS

1401 At such time as the Employer establishes a new Health Care Professional job, or significantly changes the job content of an existing job, a new job description shall be written and a rate established for such new or changed job in accordance with the following procedure.

1402 Job Description and Rate

1403 When a new job is to be established or an existing job is to be revised, the Employer will prepare a job description setting forth the duties of the new or revised job.

1404 The Employer will also prepare a proposed rate for the new job. Such rate shall be based on the requirements of the job under consideration, its relation to the Employer's rate structure and to existing jobs. A change in job duties shall not necessarily require a change in rate.

1405 Such description and proposed rate shall be presented to the State Association in writing prior to the assignment of any employee to the job. The purpose of this action will be to discuss the content of the job description and reach agreement with the State Association on the proposed rate.

1406 Should agreement be reached with the State Association, the job and the rate shall be placed in effect on a permanent basis and the rate shall not be subject to change except upon a subsequent revision of the job duties.

1407 Rate Trial Period

1408 In the event no agreement is reached on the rate, the Employer may place the proposed rate into effect, and the Association may use the grievance procedure in objecting to the permanent rate for the job.

1409 No grievance shall be filed until a sixty (60) calendar day trial period has elapsed from the date a proposed rate first becomes effective. Any such grievance shall be filed within a fifteen (15) calendar day period following the trial period. If no grievance is filed, the proposed rate shall become a permanent rate.

1410 Permanent Rate

1411 When the rate has been fixed by mutual agreement, or has become permanent under one of the above provisions, the permanent rate shall be paid from the date the job was established or revised, which shall, unless otherwise agreed, be deemed to be the date the job description and the proposed rate were placed in effect by the Employer.

1412 Should the Association believe that a job has been significantly changed or a new job established without use of the above procedure, the Association may file a grievance regarding such change, in which event any change in rate shall become effective beginning with the date such grievance is filed.

1500 ARTICLE XV – HOURS OF WORK AND OVERTIME

1501 Workweek and Pay Periods

1502 A workweek shall consist of a seven (7) day period beginning at 12:01 a.m., Monday, or at the shift changing hour nearest that time. In order to provide the most advantageous workweek scheduling for the Hospital Health Care Professionals, the Employer shall continue its existing practice at the hospitals of beginning the payroll week as of 12:01 a.m., Sunday. In order to accommodate every other weekend off scheduling, this practice may be extended upon mutual agreement to other areas.

1503 A payroll period shall consist of the two (2) consecutive workweeks preceding payday.

1504 Shifts and Starting Times

1505 There shall be three (3) shifts of work, and general starting times are assigned between:

Day: Shifts beginning at 6:00 a.m., up to and including 10:00 a.m.

Evening: Shifts beginning at 2:00 p.m., up to and including 6:00 p.m.

Night: Shifts beginning at 10:00 p.m., up to and including 2:00 a.m.

1506 Health Care Professionals who begin a workday shift schedule other than as described above will receive evening shift differential for all hours worked between 4:00 p.m. and 12:00 a.m., and night shift differential for all hours worked between 12:00 a.m. and 8:00 a.m.

1507 Schedules and Posting

1508 The Employer will have a monthly, or four (4) week, work schedule reflecting holidays and days off, and the schedule will be posted at least fourteen (14) calendar days in advance.

1509 Scheduling:

Each unit shall develop and print a "Draft" schedule. This draft schedule shall be posted:

1. Thirty-five (35) to twenty-eight (28) calendar days prior to the commencement of the schedule. This time period shall be to allow Part-Time Health Care Professional's time to provide availability and to be scheduled up to forty (40) hours at straight time in a workweek on an equitable basis.
2. Twenty-eight (28) to twenty-one (21) calendar days prior to the commencement of the schedule. This time period shall be to allow per diem Health Care Professional's time to provide availability and to be scheduled up to forty (40) hours at straight time in a workweek on an equitable basis.
3. Twenty-one (21) to fourteen (14) calendar days prior to the commencement of the schedule. This time period shall be to allow the appropriate management representative time to review the scheduling prior to posting.
4. Fourteen (14) calendar days prior to the commencement of the schedule, the schedule shall be posted per the CBA.

1510 The primary responsibility for scheduling rests with the individual Nurse Supervisors. Nothing in the foregoing shall preclude the Association from discussing scheduling matters at the Health Care Professional Committee meetings.

1511 If, in the interest of efficient operations or due to a change in patient care needs, it becomes necessary to establish schedules departing from the normal schedule, the Employer shall notify and confer with the Association to arrange mutually satisfactory schedules. In such

instances, and where possible, the Employer will consider the preferences of the concerned Health Care Professional, however, it is understood that the right to establish such rests with the Employer.

1512 When the Employer identifies a need to permanently change hours of operation or permanently expand clinic schedules, Management will notify the Association in writing, and provide at least thirty (30) days notice to the affected staff. In unforeseen, extenuating circumstances, the parties will agree to waive the thirty (30) day notice. This language does not mitigate the parties obligation to bargain over the effects of such changes.

1513 The standard workday shall be eight (8) hours of work, and the standard workweek shall consist of forty (40) hours of work. In the event an altered work day is determined to be appropriate, the workday may be four (4) hours up to twelve (12) hours. Once an altered work day is posted, the number of hours per day shall remain constant for that position.

1514 Daily overtime (over eight (8) hours in a twenty-four (24) hour period) will not apply in the event the Health Care Professional is pre-scheduled to commence work earlier than the preceding day and no more than three (3) hours are involved, or if the request is made by the individual Health Care Professional(s). "Pre-scheduled" is referring to the posted four (4) week schedule. The work day is defined as the twenty-four (24) hour period beginning when the Health Care Professional commences work and the twenty-four (24) hour clock remains set until the Health Care Professional is not on the clock at the end of the preceding twenty-four (24) hour period. The twenty-four (24) hour clock remains constant until there is a period greater than twenty-four (24) hours before the next shift commences.

1515 Daily overtime (over eight (8) hours in a twenty-four (24) hour period) will not apply in the event the Health Care Professional is prescheduled to commence work earlier than the preceding day and no more than three (3) hours are involved, or if the request is made by the individual Health Care Professional(s).

1516 Health Care Professionals shall receive two (2) times their regular rate of pay for all hours worked in excess of twelve (12) hours in any one (1) workday and for the seventh (7th) consecutive day worked in a workweek. Paid unworked hours will not count in the computation of seventh (7th) consecutive day premium.

1517 Health Care Professionals shall receive two and one-half (2 1/2) times their regular rate of pay for all hours worked in excess of sixteen (16) hours in any one (1) workday and all hours worked on a designated holiday.

1518 Experimental/Alternative Work Schedules

1519 In an effort to address the nurse shortage and to make our organization a more desirable Employer, Management, together with Health Care Professionals of representative units, may be experimenting with a variety of new schedules during the term of this Agreement.

These may include, but are not limited to:

- Flex time
- Job sharing
- Monday – Friday schedules for more senior employees
- Ten (10) or twelve (12) hour shifts (at straight time if the ten (10) or twelve (12) hour shifts are implemented solely to accommodate the requests of Health Care Professionals)
- Scheduling by nurses on a particular unit

1520 It is understood that individual nurses may waive applicable overtime/premiums in order to achieve more favorable scheduling. Overtime/Premiums may not be waived if it results in the Health Care Professional working double shifts, or double backs in a twenty-four (24) hour period, or over forty (40) hours in a workweek.

1521 No Pyramiding of Overtime

1522 Payment of overtime or premium rates shall not be duplicated for the same hours worked. To the extent that hours are compensated for at overtime/premium rates under one (1) provision, they shall not be counted as hours worked in determining overtime under the same or any other provision, except that where two (2) or more overtime/ premium provisions apply, the greater will prevail.

1523 The Employer shall attempt to distribute overtime work among Health Care Professionals, subject to qualifications, in each unit on each shift on an equitable basis.

1524 A lapsed period of thirty (30) hours from the time a Health Care Professional last worked until the Health Care Professional commences work again shall constitute a day off for the purposes of this Paragraph. A minimum of two (2) hours must be worked for the day to count as a day worked for the purposes of seventh (7th) consecutive day premium pay.

1525 All overtime worked by a Health Care Professional shall be authorized in advance. If not possible to secure authorization in advance on the day overtime must be worked, the Health Care Professional shall justify the overtime, on the day worked, and the reasons therefore.

1526 Weekend Scheduling

1527 Every Health Care Professional shall be regularly scheduled so they are assured every other weekend off.

1528 Should individual Health Care Professionals desire not to be regularly scheduled with every other weekend off, they should so advise the Employer. Subject to staffing requirements, the Employer may grant this individual request. Requests from night shift Health Care Professionals shall be granted, whenever practicable, to ensure the night shift consecutive nights off.

1529 Health Care Professionals shall receive time and one half (1 1/2) their regular rate of pay for all hours worked on the second (2nd) consecutive weekend and alternating consecutive weekends thereafter, except when such scheduling results from the request of the Health Care Professional, or when a Health Care Professional has been hired to work a weekend only position, and has signed a waiver of premium pay for consecutive weekends worked. Per Diem staff are eligible for applicable consecutive weekend premium.

1530 Weekend shall mean Saturday and Sunday, except in the case of the night shift which shall mean Friday and Saturday.

1531 In the event of a major catastrophe, the Association shall waive this section.

1532 Minimum Call-In Pay

1533 A Health Care Professional called in or scheduled to work on any day will receive a minimum of two (2) hours reporting pay. If during the two (2) hour period there is no work for the Health Care Professional, the Employer may assign the Health Care Professional to other Health Care Professional duties, as qualified. The two (2) hour pay shall be paid at premium rates, if applicable.

1534 A Health Care Professional called for more than two (2) hours work shall receive pay for actual hours worked.

1535 Job Sharing

1536 If two employees in the same job classification within the same department identify a personal need or desire to reduce their Full-Time forty (40) hour work schedule to a Part-Time twenty (20) hour work schedule on a temporary basis, not to exceed one year (unless extended by mutual agreement), he/she may submit a request to Job Share. The position vacated by the implementation of job sharing will be posted in accordance with the Collective Bargaining Agreement. Such requests must be congruent with operational needs (i.e., quality of care, quality of service, etc.). The following terms and conditions apply to job sharing:

- Employees who have passed their probationary period and have satisfactory job performance are eligible to participate in job sharing.
- Requests to Job Share must be approved by the departmental manager, Human Resources, Labor Relations and a representative of UNAC/UHCP.
- Job sharing participants must have comparable skills.
- Job sharing participants will not be scheduled to work less than forty (40) hours per pay period.
- Job sharing participants may not be scheduled for more than forty (40) hours per pay period without the approval of management, unless providing the required coverage for vacations, long term leave, etc.

- Job Performance of both Job Share participants must remain at a satisfactory level.
- Job Share participants are expected to cover each other for planned and long-term absences (i.e., vacation, educational leave, MLOA, etc.), but are not expected to cover unplanned absences (sick call, bereavement, etc.).
- Job Share participants will have their status and benefits changed to reflect the change in scheduled hours.
- If either employee elects to discontinue job sharing, the most senior employee will revert to Full-Time and the less senior employee will be required to bid into a vacant positions.
- If one of the Job Share pair terminates or transfers out of the department the remaining employee will revert to their previous Full-Time position.
- Job Share participants will be required to enter into and sign a Job Share Agreement that explicitly sets forth the terms and conditions for job sharing, including benefits coverage. However, those Health Care Professionals who are currently in an agreed upon Job Share Agreement prior to October 1, 2005, shall be grandfathered under their current Agreement.
- Either the Employer or Job Share participants may elect to terminate the Job Share Agreement by providing a minimum of thirty-30 day's written notice.

1600 ARTICLE XVI
WORK/LIFE BALANCE TRADITIONAL TIME OFF PROGRAM

1601 The Employer has an Earned Time Off Program which has three (3) components, as follows:

1. Designated Holidays
2. Earned Time Off
3. Extended Sick Leave and Income/Extended Income Protection

Effective June 1, 2001, the Employer will replace the Earned Time Off Program with a Work/ Life Balance Traditional Time Off Program that will have four (4) components as follows:

1. Vacation Days
2. Sick Leave Days
3. Designated Holiday
4. Personal Days

1602 Life Balance/Personal Days - Refer to National Agreement Section 1, #3, Attendance

Effective June 1, 2001, Full-Time Health Care Professionals shall commence Personal day accrual of 3.33 hours per month to a maximum of 40 hours per year, at any given time. Part-Time Health Care Professionals will accrue Personal Days on a prorated basis based on hours paid (up to a maximum of eighty (80) hours per pay period) in the previous two (2) pay periods. The above notwithstanding, Health Care Professionals hired after June 1, 2001 will commence accrual from date of hire.

1603 Personal Days may be used for any reason the Health Care Professional chooses without restriction and may be used for less than a full day. In the event a Health Care Professional elects to utilize Personal Days in conjunction with vacation, those Personal Days maybe granted only after the vacation selection process outlined in this Agreement. The Personal Days will, insofar as possible, be granted on the day(s) most desired by the Health Care Professional. Requests for Personal Day(s) will be made 72 hours in advance and subject to Departmental Approval. The Employer, at its option, may also approve requests made less than 72 hours in advance. Health Care Professionals will have preference as to their choice based upon affiliate facility seniority. Personal Day requests will be considered for anytime of the calendar year and shall be granted in an emergency situation. In the event that a request(s) for a Personal Day(s) is continuously denied and not rescheduled by the Health Care Professional, the parties will meet, upon the Association's request, to determine the appropriate resolution. Personal Days may be donated to another benefited employee. Personal Days that are accrued, and not used, are paid out upon termination, retirement or transfer to an ineligible status. Once granted, a more senior HealthCare Professional shall not be able to displace the granted individual.

1604 Designated Holidays

1605 Health Care Professionals shall be eligible for paid designated holidays effective on his/her date of hire. The following shall be recognized as paid designated holidays:

New Year's Day	Labor Day	Thanksgiving Day
Christmas Day	Memorial Day	Independence Day

1606 In addition, Health Care Professionals may request and be granted one religious holiday of their choice, using a Personal Day or without pay, at the employee's option, per year.

1607 All designated holidays will be observed on the actual calendar day, and all conditions and benefits applying to such holiday will be in effect on that day only. However, in the event the Employer closes any of its facilities/departments on the Friday preceding a Saturday designated holiday or on a Monday following a Sunday designated holiday, then the Friday or Monday will be designated as a holiday for unworked holiday pay for those Health Care Professionals who do not work either the actual holiday or the designated holiday.

1608 Designated Holiday Worked

1609 Authorized time worked by a Health Care Professional on a designated holiday listed in Paragraph 1604, which is also recognized by the Federal government as a holiday, shall be paid at two and one half (2 1/2) times the regular rate of pay, unless an arrangement is made to pay the Health Care Professional time and one half (1 1/2) with a compensatory day off to be taken within the thirty (30) day period before or after the holiday with pay at straight time. Such an arrangement shall be worked out on an individual basis between the Health Care Professional and the immediate supervisor without endangering the efficient operation of the facility.

1610 Under normal circumstances, requests for holidays off or a compensatory day off for a holiday worked will be submitted no more than sixty (60) days prior to the holiday and the Employer will approve or deny said request within ten (10) days prior to the posting of the four (4) week schedule in which the holiday occurs. This Paragraph does not preclude a response of more than ten (10) days prior to the posting of the schedule.

1611 Per Diem Health Care Professionals shall be paid the rate of one and one half (1 1/2) times their regular rate of pay for all hours worked on legally recognized designated holidays. Health Care Professionals electing Alternate Compensation Program shall receive time and one half (1 1/2) the regular base rate, minus the twenty percent (20%) allowance.

1612 Unworked Designated Holiday

1613 Unworked designated holiday hours for which a holiday allowance is paid shall not count as hours worked for the purpose of calculating overtime.

1614 Designated Holiday Falling During Vacation

1615 If a paid designated holiday occurs during a Health Care Professionals vacation, he/she shall have three options:

1) forty (40) hours vacation pay along with eight (8) hours holiday not worked pay (prorated for Part-Time)

2) thirty-two (32) hours vacation pay along with eight (8) hours holiday not worked pay (prorated for Part-Time)

3) forty (40) hours vacation pay along with an additional day off with pay thirty (30) days before or after said designated holiday.

Said options will be requested at the time of vacation selection pursuant to Article and the vacation period is granted. Absent selection of the above options, option two (2) shall occur.

1616 Designated Holiday Falling During Sick Leave

1617 If a designated holiday falls during a period of paid Sick Leave, the Health Care Professional, if otherwise eligible, shall receive holiday pay and such day shall not be charged to sick leave.

1618 Designated Holiday Falling on Scheduled Day Off

1619 If a designated holiday falls on a Health Care Professional's scheduled day off, a request may be granted for a work day off with pay, or pay in lieu of, within thirty (30) days before or after the designated holiday. If a Health Care Professional elects to receive pay in lieu of a substitute day off, such pay shall not count as time worked for purposes of computing overtime or premium pay.

1620 Designated Holiday Falling on Sunday

1621 Designated holiday falling on a Sunday shall be observed on the following Monday, as may be provided by Federal legislation.

1622 Designated Holiday Work Schedules

1623 Each Health Care Professional shall be scheduled off work on at least one (1) of the following designated holidays each holiday season:

Thanksgiving Day Christmas Day New Year's Day

1624 Health Care Professionals will make known their schedule preferences for the three (3) designated holidays listed above. The preferences shall be awarded in order of affiliate facility seniority. If using vacation days during Thanksgiving/Christmas/New Year's, those days would count for selection of the major designated holiday.

1625 To aid work scheduling, New Year's Eve may be substituted as a holiday for one (1) of the three (3) designated holidays outlined in Paragraph 1623.

1626 In seven (7) day departments, designated holidays will be observed and paid, either worked or unworked, on the calendar day on which the designated holiday falls.

1627 The Employer shall make every effort to equitably rotate designated holiday time off among Health Care Professionals within all units in each entity. This shall not affect the provision set forth in Paragraph 1621 above.

1628 Health Care Professionals may request and be granted one (1) religious holiday of their choice, without pay, per year, provided the Employer is able to schedule such absence without adversely affecting the operations.

1629 For Health Care Professionals working the night shift, the unworked holiday pay and holiday premiums shall apply to the shift in which the majority of hours fall on the actual calendar day of the designated holiday as specified in this Article.

1630 An unworked holiday allowance shall be a Health Care Professional's normal straight hourly earnings times (8). Effective October 1, 2001, Health Care Professionals shall receive applicable shift differential with unworked holiday pay.

1631 Shift Differential Eligibility

1632 Unworked holiday pay shall not include the shift differentials for Health Care Professionals. Effective October 1, 2001, unworked holiday pay shall include the shift differential for the Health Care Professional.

1633 Vacation

1634 Length of Vacation

1635 The vacation eligibility date determines the Health Care Professional's accrual rate and is their date of hire, unless it is adjusted for unpaid leaves of absence or for the period of time that the Health Care Professional worked in an ineligible status.

1636 A Health Care Professional shall not forfeit any accrued rights earned prior to the commencement of the leave during an authorized leave of absence without pay.

1637 The vacation eligibility date shall mean that period of continuous employment with the Employer, less any absence from employment, excepting regularly scheduled days off, which exceeds sixty (60) calendar days for which no compensation is received. Leaves of absence for sixty (60) days or less will not affect the vacation eligibility date. Leaves of absence of sixty one (61) days or more will be deducted in their entirety from the eligibility date. Service credit shall continue during the entire period of a leave of absence due to industrial illness or injury.

1638 Vacation Accrual Schedule

1639 Each Full-Time Health Care Professional shall accrue vacation hours on a monthly basis in accordance with the following schedule:

Length of service	Hours per month	Days per month	Calendar weeks per year
0-4 Years	6.66	0.83	2
5-8 Years	10.00	1.25	3
9-10 Years	13.33	1.66	4
11 Years or More	16.66	2.08	5

1640 Part-Time Health Care Professionals will accrue vacation hours in accordance with the above schedule prorated on the basis of an average of straight time hours paid during the preceding two (2) pay periods.

1641 Vacation Accumulation

1642 Health Care Professionals may accumulate up to a maximum of two years vacation accrual in their vacation account.

1643 Vacation Pay

1644 Health Care Professionals shall not receive their shift differential with vacation pay. Effective October 1, 2001, shift differential will be paid on all compensated hours including vacation. Vacation pay shall be at the base hourly wage rate the Health Care Professional is receiving on the date time off is taken.

1645 Vacation shall not be considered as time worked for the purposes of calculating overtime.

1646 Vacation Pay at Termination or Retirement

1647 A Health Care Professional who terminates employment or retires receives payment for all accrued and unused vacation at the base hourly wage rate the Health Care Professional is receiving on that date.

1648 Leave of Absence in Conjunction with Vacation

1649 Health Care Professionals with more than two (2) years of service may submit a request for a leave of absence of one (1) week without pay to be taken in conjunction with scheduled vacation. Such leave of absence will be granted only if a vacation slot is still available after all requests have been determined and if the efficiency of the operation is not adversely affected or impaired. Only one (1) such leave of absence shall be granted a Health Care Professional in the vacation year.

1650 Requests for leave of absence, without pay, in excess of one (1) week in conjunction with vacation will be considered on an individual basis.

1651 Vacation In-Service Cash Out Option

1652 Eligible Health Care Professionals may elect to cash-out vacation during the annual election period in accordance with the Employer's policy on in-service cash out of vacation benefits.

1653 Preferred Vacation Periods

1654 It is recognized that the summer months are most desirable for vacation periods, particularly for Health Care Professionals with school age family members. Therefore, consistent with patient care requirements and operating efficiency, the Employer shall make every effort annually to release as many Health Care Professionals as feasible for vacation in the period from April 1st through September 30th.

1655 Scheduling Vacation

1656 Vacation requests for increments of one (1) week or more must be submitted in writing to the Health Care Professional's immediate supervisor prior to March 1st of each year. For purposes of vacation scheduling, a "week" is defined as a consecutive seven (7) day period commencing at 12:01 a.m. Monday and concluding at 11:59 p.m. Sunday. The Twelve (12) hour night shift vacation "week" is defined as a consecutive seven (7) day period commencing at 7:00 p.m. Sunday and concluding at 6:59 p.m. Sunday. The approved vacation schedule shall be posted by March 31st of each year and shall apply from April 1st through March 31st. Should a conflict arise in vacation requests received, the supervisor and/or department head shall use Health Care Professional affiliate facility seniority as a basis for granting vacation requests only if such requests were submitted in a timely manner. For those Health Care Professionals choosing to divide their vacation period into three (3) or more increments, affiliate facility seniority will apply only on the first (1st) and second (2nd) choice of vacation increment for each anniversary year. Nothing in this Paragraph shall preclude the Employer from posting the schedule earlier if possible.

Health Care Professionals who submit more than two (2) vacation election choices during the annual vacation election process, will have their additional vacation request(s) granted provided the slot is open after awarding vacations in accordance with Paragraph 1651. During the annual vacation election process, if an employee submits a vacation request for a slot that has already been taken by a more senior employee, the employee will go on a "Vacation Cancellation List". If a more senior employee cancels their vacation (cancellations must be done in weekly increments), the vacation slot will be awarded to the next Health Care Professional on the "Vacation Cancellation List" who requested that specific vacation slot. In the event that there are no employees on the "Vacation Cancellation List", the vacation slot will be awarded on a "first come – first served" basis. Any vacation slots not awarded during the annual vacation election process will remain open and will be awarded on a "first come – first served" basis.

1657 Vacation Cancellation

1658 In the event that a vacation week has been granted to an employee who subsequently takes a leave of absence (MLOA, FMLA, etc.) which encompasses their vacation slot, that vacation slot will be made available to employees on the Vacation Cancellation List. The available vacation slot will be awarded, if the granting of such will not place the department below *core/minimum staffing levels.*

If a Health Care Professional cancels their vacation at least four (4) weeks prior to the start of their vacation, the Health Care Professional will be placed back on the work schedule. If the Health Care Professional cancels with less than four (4) weeks notice the vacation slot will be granted to the next Health Care Professional on the Cancellation List, if the person returning assumes the schedule of the person granted the vacation slot (e.g., Full-Time

replaces Full-Time, Part-Time replaces Part-Time), unless otherwise mutually agreed to between the parties. If there are no Health Care Professionals on the Cancellation List, the vacation slot may be granted on a first come first serve basis and operational needs. The parties agree to review the effectiveness of this cancellation policy, along with the designation of vacation slots as defined in paragraph 1659, prior to the awarding of the 2007 annual vacation election process, and annually thereafter.

1659 Insofar as practicable, vacation will be granted at the time desired by Health Care Professionals regardless of the time of year. However, when efficient operation of the facility does not permit the granting of vacation requests, the Employer retains the final right to schedule vacation.

1660 In scheduling vacation the Employer's intent is to distribute vacation time equitably while maintaining appropriate staffing patterns of UNAC/UHCP bargaining unit members. The Health Care Professionals shall not compete with employees outside of the UNAC/UHCP bargaining unit for vacation time. A Health Care Professional's request for vacation shall not be denied because of the season, time of year or vacation time provided to MD, LVN, Medical Assistant or any other non-UNAC/UHCP employee. The Health Care Professional's vacation requests shall be granted based solely on the staffing/coverage provided by other UNAC/UHCP members that perform like duties in the same units and shifts.

1661 The setting of vacation modules and vacation slots, for the Hospital and each of the SCPMG departments will be delegated to the local joint labor/management committee responsible for staffing and scheduling issues. This committee will divide the departments into modules that permit accomplishment of this intent while providing Health Care Professionals the opportunity to communicate with their co workers of their desire to trade vacation times. These modules will be constructed of like units and like shifts when possible. The local joint labor/management committee will commence the process of designating vacation modules and slots prior to August 31st and will conclude the process by December 1st of each year. For 2006, the annual vacation process will commence following ratification of the CBA.

The base number of vacation weeks needed for each vacation module will be determined utilizing the annual vacation accrual for each Health Care Professional in the module. An additional week, per eligible Health Care Professional as described in paragraph 1648, will be added to the base number of vacation slots to establish the total number of vacation slots needed. For example, if the core number of vacation slots needed, based on annual accrual is ten (10) weeks and there are five (5) employees in the vacation module, the total number of vacation slots to be made available is fifteen (15). This formula does not preclude a Department from allotting one (1) vacation slot per fifty-two week vacation period. In the above example, the monthly distribution of vacation slots will be based on relevant historical data related to patient care requirements and operational efficiencies. Prior to the 2007 annual vacation election process, the parties will meet to evaluate the effectiveness of the base formula and the process for determining the monthly allocation of vacation slots.

1662 For purposes of vacation scheduling only, those Health Care Professionals whose start times fall outside of the definitions set forth in paragraph 1505, shall be placed into the appropriate shift based on bulk of hours as follows: 7a.m. to 3p.m. is day shift, 3p.m. to 11p.m. is evening shift, and 11p.m. to 7a.m. is night shift. In the event that the Health Care Professional's hours of work fall equally between two shifts (50% on one shift and 50% on another), Labor and Management will meet locally to determine the appropriate vacation module placement for the Health Care Professional. This meeting will be in accordance with paragraph 1658.

1663 A request for vacation shall not be denied because of the season or time of year.

1664 Requests for vacation time off in increments of less than five (5) days that are submitted sixty (60) to forty-five (45) days prior to the posting of the monthly work schedule shall be approved up to Core –1 for Hospital employees and up to Minimum Staffing for Medical Office employees. Requests for vacation time off that are submitted less than forty-five (45) days, but prior to the posting of the monthly schedule should be approved up to Core –1 for Hospital employees and up to Minimum Staffing for Medical Office employees. Medical Office employees working in 24/7 departments (e.g., Emergency Room), shall be subject to the provisions set forth above for Hospital employees. The Employer will respond to all written requests for vacation time off within ten (10) days after receipt of such request.

1665 Core and Minimum staffing levels will be jointly established for their respective Nursing Unit or Medical Office for the upcoming year. This information will include a monthly breakdown of the Core and Minimum staffing levels established for each unit/module including any seasonal adjustments.

1666 Sick Leave- Refer to National Agreement Section 1, #3, Attendance

1667 Sick Leave shall be granted to a Health Care Professional who becomes ill or injured. Sick leave may also be used for medical or dental appointments.

1668 Employees may utilize up to one-half of their annual sick leave accrual per calendar year to care for a covered family member's illness. A covered family member includes child(ren), parent(s), and spouse or eligible domestic partner and his/her children. Employees may use such leave in increments of less than a full scheduled work day. Employees must have sufficient sick leave available in their account at the time of absence.

1669 Each Full-Time employee shall accrue 1.25 days (10 hours per month) of sick leave on a monthly basis. There shall be no limit on sick leave accumulation.

1670 Part-Time employees will accrue sick leave in accordance with the above schedule prorated on the basis of an average of straight time hours paid during the preceding two (2) pay periods.

1671 Sick Leave time off for which pay is received shall not be considered an interruption of continuous service.

1700 ARTICLE XVII – COMPENSATION

1701 Weekend Position Differential

1702 Health Care Professionals who take positions that are designated to work every weekend (forty-eight out of fifty-two weekends) will receive a ten percent (10%) differential in addition to their regular base wage rate. The weekend differential will only be paid for hours worked on the weekend as defined below. Health Care Professionals in weekend positions will be required to work a minimum of twenty-four (24) hours per weekend. Weekend hours are defined as 3:00 p.m. Friday until 7:00 a.m. Monday. If the Health Care Professional chooses to pick up additional hours that are outside of the weekend differential parameters, such hours are not subject to the weekend differential.

1703 Wage Schedules

1704 The base wage schedules for Health Care Professionals are listed in the Appendix. The Appendix also includes the wage schedule for Per Diem Health Care Professionals and those on the Alternate Compensation Program.

1705 Alternate Compensation Program (ACP)

1706 An Alternate Compensation Program will be available as an option to all Full-Time, Part-Time and irregularly scheduled Part-Time Health Care Professionals who are in a benefit eligible status.

1707 Health Care Professionals, if desiring this option, must enroll for a one (1) year period during the annual open enrollment period of the preceding year. Once a Health Care Professional has elected this option, he/she will remain in the ACP Program unless he/she disenrolls, in writing, during the annual open enrollment period. Health Care Professionals enrolling in the ACP Program will be paid off all accrued vacation, at the regular base rate, prior to the effective date of entering the ACP Program. Accrued sick leave and education leave will be frozen and restored if and when the Health Care Professional returns to the regular benefit program.

1708 The Alternative Compensation Program provides for a special bonus/allowance of twenty percent (20%) above the current base rate. The rate is provided in lieu of all benefits and paid time off, except that time spent in the Alternate Compensation Program will count as service for vesting purposes and credited service for purposes of computing the monthly retirement income. Final average pay for pension calculations exclude special bonuses/ allowances and will, therefore, be calculated solely on the base rate.

1709 Health Care Professionals who elect the ACP option may have two (2) weeks of unpaid leave per year and in one (1) week increments the unpaid leave may be accumulated up to a maximum of four weeks unpaid leave. This unpaid leave is to accomplish the rest and relaxation provided to other employees via vacation.

1710 ACP Health Care Professionals may exercise affiliate facility seniority on the vacation schedule to obtain their two (2) weeks of unpaid leave.

1711 ACP Health Care Professionals shall receive all overtime premiums and/or shift differential.

1712 If a Health Care Professional on ACP works on a designated holiday, pay for such shall be at time and one half (1 1/2) the regular base rate, minus the twenty percent (20%) allowance, for the first (1st) eight (8) hours of work. Hours worked over eight (8) on the designated holiday will be compensated at the ACP premium rate.

1713 Tenure Increases

1714 Tenure increases for Full-Time Health Care Professionals, on the base wage schedule, shall become effective on the individual's appropriate anniversary date as set forth in the base wage schedule.

1715 Inexperienced Registered Nurses

1716 Registered Nurses hired at the inexperienced tenure step, on the base wage schedule, shall automatically be advanced to the start rate after six (6) months of service.

1717 Advance Hire Placement for Registered Nurses

Tenure Step	Experience at Time of Hire
Start Rate	1-2 years experience
12 Month Rate	2-3 years experience
24 Month Rate	3 Plus years experience

1718 Experience above is defined as recent (in the past three (3) years) acute care experience. A Registered Nurse who possesses a Bachelor's Degree in Nursing or an Allied Health field may use the degree as a substitute for one (1) year's experience at the above schedule (Allied Health field profession is defined as Medical Technologist, Discharge Planner, Utilization Review, Medical Military, LVN, etc.).

1719 The Operating Room is excluded from the above schedule unless all experience has been in the Operating Room and except that five (5) years recent Medical-Surgical experience shall count as one year operating room experience for purposes of placement on the initial hiring scale.

1720 Advance Hire Placement for RNP's and PA's

Allied Health RNP/PA Experience	Hire Rate
New Graduate – no experience	Step 1
Less than 1 year experience	Step 2
More than 1 year, but less than 3 years experience	Step 3
More than 3 years, but less than 5 years experience	Step 4
More than 5 years experience	Step 5
RNP/PA experience, more than 10 years experience	Step 6

- Advance placement language for RNs, RNPs and PAs will apply.
- A degree in an allied health field will count as one (1) year experience in the application of the Hiring Policy.
- Kaiser Permanente Registered Nurses (who transfer to an RNP/PA position) will be placed onto the Step that provides an increase of at least five percent (5%) or advance hiring criteria whichever is greater.
- Progression through the structure will be (for Part-Time 1600 hours equals 12 months):

6 months at Step 1	1 year at Step 5
6 months at Step 2	1 year at Step 6
6 months at Step 3	1 year at Step 7
6 months at Step 4	

1721 Specialty Units

1722 Specialty Units are defined as Intensive Care Unit, Coronary Care Unit, Intensive Care Nursery, Emergency Room, Operating Room, Post Anesthesia Care Unit, Labor and Delivery, Definitive Observation/Step Down Units (DOU/SDU) and the Los Angeles Hemodialysis and Apheresis Units. Registered Nurses working in Specialty Units are classified as Level III Registered Nurses. In addition, inpatient Oncology Registered Nurses working in dedicated Oncology/Chemo units and SCPMG Registered Nurses working in Oncology/Chemo will be classified as Level III Registered Nurses. Inpatient RN's working in non-dedicated Oncology/Chemo Units shall receive compensation as Level III RN's during the administration of chemotherapeutic agents as set forth in Paragraph 1730. Registered Nurse First Assistants are classified as Level V Registered Nurses.

1723 Registered Nurses hired into a training position for a Specialty Unit position would be placed as follows:

1. A Registered Nurse with less than one year experience shall be paid at the Level II inexperienced rate. Upon completion of the training program, said Registered Nurse

shall automatically move to the Level III, Inexperienced Rate. After movement to the Level III Inexperienced Rate, further movement on the Wage Structure shall occur as applicable under the Collective Bargaining Agreement.

2. A Registered Nurse with one – two years experience shall be paid at the Level II Start Rate until completion of the training program. Upon completion of the training program, said Registered Nurse shall automatically move to the Level III Start Rate. After movement to the Level III Start Rate, further movement on the Wage Structure shall occur as applicable under the Collective Bargaining Agreement.
3. A Registered Nurse with two – three years experience shall be paid at the Level II 1-year rate until completion of the training program. Upon completion of the training program, said Registered Nurse shall move to the Level III 1-year rate. After movement to the Level III 1-year rate, further movement on the Wage Structure shall occur as applicable under the Collective Bargaining Agreement.
4. A Registered Nurse with three plus years experience shall be paid at the Level II 2-year rate until completion of the training program. Upon completion of the training program, said Registered Nurse shall move to the Level III 2-year rate. After movement to the Level III 2-year rate, further movement on the Wage Structure shall occur as applicable under the Collective Bargaining Agreement.
5. A Registered Nurse who transfers from a Level III Specialty Unit shall receive Level III pay during the training period.

1724 Float Differential

1725 Health Care Professionals who casually float will receive $2.00 per hour when required to float out of their home unit plus one additional unit. Casual floating is defined as being floated out of the Health Care Professionals home unit plus one additional unit (e.g. ICU Home Unit/DOU additional unit). In addition, Health Care Professionals who are hired into Float Pool positions will receive the $2.00 hour floating differential for all hours.

1726 Shift Differential

1727 Health Care Professionals shall receive a shift differential for work performed on the evening and night shifts as follows:

Evening Shift	$403 per month / $2.326 per hour
Night Shift	$564 per month / $3.256 per hour

1728 Shift differential shall be paid for time worked only and shall be applied to all overtime hours worked by a Health Care Professional on the evening or night shift. Effective October 1, 2001, evening and night shift differential shall be paid or all compensated hours.

1729 A Health Care Professional who is removed from their scheduled hours as a result of the following shall receive their appropriate shift differential:

1. Jury Duty
2. Vacation and Vacation Cash Out
3. Sick Leave
4. Personal Day
5. Mandatory Training/Mandatory Meetings
6. Educational Leave
7. LMP Meetings/Activities

Twelve (12) hour night shift Health Care Professionals shall receive the appropriate evening and night shift differential.

1730 Assignment to a Higher Classification

1731 A Health Care Professional assigned to a higher rated classification for four (4) hours or more during a shift will be paid the rate of the higher rated classification, at the same tenure step the Health Care Professional holds for the full shift.

1732 Bilingual Differential

1733 Health Care Professionals who have a demonstrated ability in a second language (to include sign language for the hearing impaired) and are routinely required to translate five percent (5%) or more of their work time, shall receive a bilingual differential in the amount of sixty-five dollars ($65.00) per month or $.375 per hour and paid on hours worked to a maximum of eighty (80) hours per biweekly pay period. The bilingual differential will be paid on all hours worked.

1734 Preceptor Differential

1735 A Preceptor Differential in the amount of $1.00 per hour will be paid to those who precept New Grads or New Hires. For definition of Preceptor reference Letter of Understanding #26.

1736 Promotions to a Higher Classification

1737 A Health Care Professional, promoted to a higher rated classification, will be advanced to the pay level of the higher rated classification at the same tenure step, on the base wage schedule, held immediately prior to the promotion. Remaining step increases will be on the established anniversary date.

1738 Mileage Allowance

1739 Health Care Professionals authorized to use their personal automobiles for Employer business will receive mileage allowance pay per mile in accordance with the Employer's prevailing organizational mileage allowance policy.

1740 If a business trip occurs during a Health Care Professional's regular work day, mileage should be claimed only in excess of the distance normally traveled to and from the employee's regular work location. If a Health Care Professional is temporarily assigned to another location, mileage should be claimed for the distance traveled to and from the temporary assignment, but only in excess of the distance normally traveled to and from the Health Care Professional's regular work location.

1741 Health Care Professional Status

1742 Full-Time Health Care Professional Status

1743 A Full-Time Health Care Professional is a Health Care Professional who is regularly scheduled to work a normal workday of eight (8) hours of work and a normal workweek of five (5) days of work.

1744 Part-Time Health Care Professional Status

1745 A Part-Time Health Care Professional is a Health Care Professional who is regularly scheduled a specific number of hours per week but normally less than the number of hours per day and/or week of a Full-Time Health Care Professional.

1746 Irregularly Scheduled Part-Time Health Care Professional Status

1747 An irregularly scheduled Part-Time Health Care Professional is a Health Care Professional who may or may not work an established schedule but must be available as needed a minimum of two-hundred sixty (260) hours per quarter or one-thousand forty (1,040) hours per year.

1748 Per Diem Health Care Professional Status

1749 A Per Diem Health Care Professional is a Health Care Professional who works intermittently, primarily as a replacement, and works less than one-thousand forty (1,040) hours per year. However, there could be circumstances in which a Per Diem Health Care Professional works more than two-hundred sixty (260) hours in any one (1) quarter. Whenever possible, the Employer will utilize available Part-Time Health Care Professionals prior to Per Diem Health Care Professionals.

1750 Temporary Health Care Professional Status

1751 Health Care Professionals initially hired for an interim period of three (3) months or less should be considered as temporary Health Care Professionals. At the end of three (3) months, or five (5) months in the case of an individual medical or family leave, the Health Care Professional will be converted to regular status, and the Health Care Professional's service credit becomes retroactive to the date of hire.

1752 Paid time off, health plan coverage, dental plan coverage, and insurance benefits are not extended to temporary Health Care Professionals.

1753 Health Care Professionals, who are regular employees and transfer to a temporary position will not have any change in benefits and shall return to their former or comparable position at the end of the temporary period. Temporary positions are defined as those not exceeding three (3) months or five (5) months in the case of an individual medical or family leave.

1754 Temporary Health Care Professionals shall receive the same shift differentials as is applicable to Full-Time Health Care Professionals.

1755 Standby Pay

1756 Standby Pay shall be utilized in those instances where the Health Care Professional is required to report to the facility or designated area. Registered Nurses on standby status shall be paid ten dollars ($10.00) per hour for each hour spent on standby status. Registered Nurse Practitioners and Physician Assistants shall be paid twelve dollars ($12.00) per hour for each hour spent on standby status. Actual work time shall begin when the Health Care Professional arrives at the work to which called, and shall end when the Health Care Professional leaves the same facilities, provided, however, that the Health Care Professional shall be guaranteed a minimum of two (2) hours work for each call in. A Health Care Professional shall receive time and one half (1 1/2) the regular hourly rate of pay, rather than the standby allowance, for all hours actually worked or guaranteed during the standby period. Effective October 1, 2001, Standby pay for Registered Nurses will be increased to $12.00 per hour and $14.00 for Registered Nurse Practitioners and Physician Assistants.

1757 Health Care Professionals, returning to work from standby, shall receive two and one half (2 1/2) times their regular rate of pay for all hours worked on a designated holiday.

1800 ARTICLE XVIII – LEAVES OF ABSENCE

1801 Eligibility

1802 Leaves of absence, without pay, may be granted to Full-Time and Part-Time Health Care Professionals at the discretion of the Employer. All requests for leaves of absence by Health Care Professionals shall be requested in writing on the form provided by the Employer. In order to be eligible for a leave of absence, a Health Care Professional must have at least six (6) calendar months of continuous service. However, in the case of disabilities related to pregnancy, the six (6) month eligibility requirement is waived for the purposes of the medical leave of absence.

1803 Personal Leaves of Absence

1804 Personal leaves of absence, without pay, may be granted for justifiable reasons, subject to the eligibility requirements, for specific time periods not to exceed thirty (30) consecutive calendar days. Under extenuating circumstances, the Employer shall give consideration

to extending personal leaves of absences. However, such extensions shall be granted at the discretion of the Employer and shall not exceed sixty (60) consecutive calendar days. Personal leaves of absence for situations covered by Family Leave will not be considered until the provisions described in the Family Leave Section have been exhausted.

1805 Non emergency leaves of absence must be requested at least fourteen (14) days in advance.

1806 Family Leave

1807 The Employer will comply with the provisions of the California Family Rights Act, as amended and with the provisions of the Federal Family and Medical Leave Act of 1993, as amended. Any alleged violations of this Paragraph must be pursued under the procedures of those acts.

1808 Medical Leaves of Absence

1809 Upon the exhaustion of accrued sick leave, medical leaves of absence, without pay, for non-occupational related disabilities, including conditions related to pregnancy, shall be granted subject to the eligibility requirements for the period of disability, provided the Health Care Professional furnishes a physician's certification setting forth the necessity for such a leave and the anticipated duration of the disability. Physician recertification will be required at the expiration of each previous certification for continued eligibility.

1810 Health Care Professionals with less than three (3) years of continuous service shall be eligible for a medical leave of absence for a specific period of time not to exceed one-hundred twenty (120) days. Health Care Professionals with three (3) or more years of service shall be eligible for a medical leave of absence for a specific period of time not to exceed three-hundred and sixty (360) days. For those Health Care Professionals with fifteen (15) or more years of service, the medical leave of absence shall be extended to a period of eighteen (18) months.

1811 If a Health Care Professional takes a Medical Leave of Absence, returns to work and returns to Medical Leave status within ninety (90) days for the same or a related medical condition, the leave is treated as one continuous leave subject to the maximum limit. If a Health Care Professional takes a Medical Leave of Absence, returns to work and returns to Medical Leave status within ninety (90) days for a different and unrelated condition, the leave is treated as a new leave of absence subject to the maximum limit. If a Health Care Professional takes a Medical Leave of Absence, returns to work for a period of at least ninety (90) calendar days, then returns to Medical Leave status, the leave is treated as a new leave of absence subject to the maximum limit.

1812 Under extenuating circumstances, a Health Care Professional may request and the Employer may grant an extension to the maximum period of medical leave of absence. However, the granting of such an extension is at the sole discretion of the Employer.

1813 No Health Care Professional will be compelled by the Employer to take vacation during a period of medical leave of absence. However, prior to the commencement of the medical leave of absence, accrued vacation hours may be converted to sick leave in forty (40) hour increments at the request of the Health Care Professional. The Health Care Professional will be given an additional 14 calendar days from the time that their sick leave is exhausted to convert said vacation hours. Hours not used shall be returned to the Health Care Professionals vacation account unless otherwise requested by the Health Care Professional.

1814 Occupational Injury or Illness Leave of Absence

1815 Commencing on the first (1st) day of employment for those absences covered by Workers' Compensation, a Health Care Professional's leave of absence shall be continuous until such time as said Health Care Professional has been released by the attending physician from the period of temporary disability and is available, physically capable of and qualified for performing substantially all job tasks. Such leave of absence may be extended up to a maximum of two (2) years.

1816 The Employer shall place Health Care Professionals released to return to work from an occupational injury or illness, without medical restrictions, to their former or comparable position at their regular rate of pay as soon as reasonable, not to exceed seven (7) days.

1817 The Employer will place Health Care Professionals released to return to work from an occupational injury or illness, on a permanently restricted basis, in the former job provided the Health Care Professional is physically capable of performing substantially all the job tasks per the medical restrictions and limitations. If the Health Care Professional is unable to perform their former job, the Health Care Professional has the opportunity to bid on any job vacancy he/she is physically capable of and qualified to perform per their medical restrictions and limitations. Where there is no appropriate job, the Employer will provide all reasonable and necessary vocational/rehabilitation training program benefits as approved by the Division of Industrial Accidents/Workers' Compensation Appeals Board pursuant to the administration of the California Labor Code.

1818 The occupational injury or illness leave of absence will expire in less than two (2) years if a Health Care Professional is no longer disabled and can perform his or her predisability job, with or without reasonable accommodation, or if there is uncontroverted medical evidence that the Health Care Professional is permanently disabled and cannot perform his or her predisability job, with or without reasonable accommodation, or ninety (90) days after an Award from the Workers' Compensation Appeals Board indicating that the Health Care Professional is permanently disabled and cannot perform his or her predisability job, with or without reasonable accommodation.

1819 Upon release from the attending physician for occupational injury or illness, the Employer may request that the Health Care Professional provide a return to work authorization containing the name of the physician, the physician's signature, clarification of disability

and the date released to return to work in sufficient time to allow the Employer to make an appropriate determination of jobs the Health Care Professional can perform, if any.

1820 Military Leave of Absence

1821 Leave of absence for military service commitment shall be granted all Health Care Professionals with full reemployment rights extended. In those cases where Health Care Professionals are in reserve status and serve an annual two (2) week commitment, vacation may be granted during the leave of absence. In no case will leaves of absence with pay other than for vacation be granted for military purposes.

1822 The Employer shall accord to each Health Care Professional who applies for reemployment, after conclusion of military service, such reemployment rights as the Health Care Professional shall be entitled to under the then existing statutes. It is understood that the Health Care Professional must make application for reemployment within the time limits specified under the law.

1823 Personal Time Off

1824 Commencing on the first (1st) day of employment, where circumstances warrant, a Health Care Professional may request and may receive personal time off, without pay, for short periods of time not to exceed five (5) workdays. Such requests shall not be unreasonably denied. In a verifiable emergency, an on duty Health Care Professional may ask for personal time off which shall be granted on momentary notice and such Health Care Professional will be released from duty as soon as possible. In determining whether such a request shall be granted, the Employer shall consider the effect the granting of the request will have upon the operation of the facility.

1825 Under normal circumstances, requests for personal time off will be submitted no more than sixty (60) days prior to the requested time off and the Employer will approve or disapprove said request within ten (10) days. In extenuating circumstances, requests may be submitted more than sixty (60) days in advance.

1826 Return from Leave of Absence

1827 Health Care Professionals shall give as much notice as possible of their intent to return from an authorized leave of absence. Prior notice of two (2) weeks may be required of the Health Care Professional by their immediate supervisor as a condition of reinstatement to a position. However, when conditions permit, the Employer will attempt to reinstate Health Care Professionals returning from leaves of absence earlier than two (2) weeks. Such Health Care Professionals shall be reinstated to their former or like position in which they were employed prior to the leave of absence, but, if conditions have so changed that it is not reasonable to reinstate the Health Care Professional to their former or like position, the Employer will reinstate the Health Care Professional to a position that is as nearly comparable to their

original position with respect to hours, wages, benefits, etc., as is reasonable under the circumstances and will give such Health Care Professional preferential consideration for reinstatement into a like position, when comparable vacancies occur. Health Care Professionals on non occupational medical leave of absence who are unable to return to work at the expiration of the authorized leave of absence shall be placed on medical layoff without recall rights.

1828 Benefits While on Leave of Absence

1829 Premiums for continued Health Plan Coverage, dental and group life insurance coverage during a period of authorized leave of absence, not to exceed thirty (30) days, shall be paid by the Employer. Coverage beyond thirty (30) days shall be paid by the Health Care Professional.

1830 Health Plan and Dental Coverage will be continued at Employer expense during the entire period of an approved Medical Leave, providing three (3) calendar months elapse between incidents of application. Health Plan and Dental Coverage will be continued at Employer expense during an entire period of an approved Family Leave. Health Care Professionals will not be eligible for designated holiday pay on any unpaid leave status.

1831 Health Plan Coverage (including vision, mental health services and prepaid prescription drugs less co-payment), Dental Plan and Employer paid Group Life Insurance Coverage will be continued at Employer expense during the entire period of an approved medical leave of absence, providing three (3) calendar months elapse between incidents of application and the Health Care Professional has six (6) months of continuous service. Coverage not paid by the Employer, as specified above, may be continued at the Health Care Professional's expense.

1832 Benefits While on Industrial Leave

1833 Health Care Professionals on industrial injury leave are eligible for vacation and sick leave benefits for the remainder of their current anniversary year, but not less than six (6) months. Accruals for Part-Time employees will be based on their posted FTE hours. For example, a Health Care Professional who had bid on and was awarded a 20 hour per week position would accrue sick leave and vacation based on 20 hours per week, regardless of the number of hours they work. Health Care Professionals are also eligible for Health Plan Coverage, dental benefits and life insurance for the length of time they are on such leave. Health Care Professionals will not be eligible for designated holiday pay on any unpaid leave status.

1834 Witness Pay

1835 Health Care Professionals shall be paid as time worked under the terms of the Agreement for time spent at appearances or on standby in legal proceedings arising out of the course and scope of employment.

1836 Medical Appointments

1837 It is understood that employees will make every effort to schedule medical appointments during non-work hours. If it is necessary, however, to schedule such appointments during work hours, the Health Care Professional must give an estimated time for the absence and obtain supervisory approval. The Health Care Professional may elect to use vacation, life balance days, sick leave or Personal Time Off for the period of absence.

1838 Bereavement Leave

1839 Effective the first day of the month following eligibility, all Full-Time and Part-Time Health Care Professionals are eligible for bereavement leave, unless the bereavement leave has been waived by participation in the Alternate Compensation Program. Health Care Professionals shall be granted up to three (3) days paid Bereavement Leave upon the death of their immediate family member. Health Care Professionals will be granted an additional two (2) days of paid time when traveling three-hundred (300) miles or more one way to attend funeral or memorial services. Bereavement Leave may be divided due to timing of services and related circumstances and need not be taken on consecutive days.

1840 Part-Time employees will receive bereavement leave of three (3) calendar days for deaths in the area and five (5) calendar days for deaths when traveling three-hundred (300) miles or more one way to attend funeral or memorial services and will receive pay for scheduled work hours within such three (3) or five (5) day periods.

Immediate family member for Bereavement Leave is defined as:

- spouse or domestic partner who is registered with the state/local government or has a KP affidavit of domestic partnership and the family members listed below or the employee or his/her spouse or domestic partner:
- parent, step parent, parent in-law, step parent in-law, in loco parentis parent
- daughter, step daughter, daughter in-law, step daughter in-law
- son, step son, son in-law, step son in-law
- sister, step sister, sister in-law, step sister in-law
- brother, step brother, brother in-law, step brother in-law
- in loco parentis child, legal ward, legal guardian, foster child, adopted child
- grandparent, step grandparent
- grandchildren, step grandchildren
- relative living in the same household as the Health Care Professional

1841 If a death occurs to a critically ill family member as defined in Paragraph 1839 or 1840, while a Health Care Professional is on an authorized leave for critical family illness, the

Health Care Professional will be entitled to receive bereavement leave pay upon presentation of verification of the death. The bereavement leave shall not exceed three (3) days for deaths in the area. For deaths occurring out of the area requiring travel over 300 miles, one-way, two (2) additional days will be provided for travel purposes.

1842 Jury Duty

1843 When a Health Care Professional is required to be in any court or courthouse for jury service, the Employer will make every effort to schedule the Health Care Professional for a day shift on a Monday through Friday workweek for each scheduled day of jury service. Health Care Professionals on jury duty shall receive pay during such work week for each day of such jury service at the rate of eight (8) hours straight time pay, except in the case of the Part-Time Health Care Professional who shall receive pay for the number of hours regularly scheduled on the day in question. Jury duty pay for both Full-Time and Part-Time Health Care Professionals will be received for the duration of the service. The Health Care Professional must show proof of jury service.

1844 Health Care Professionals who are summoned to serve on jury duty shall give their supervisor two (2) weeks' notice of the jury duty obligation.

1845 In the event the Health Care Professional does not give adequate notice, the Employer shall have one (1) week to rearrange the schedule during which time jury duty service shall not count towards consecutive days of pay. During subsequent weeks of jury duty leave, days spent on jury duty shall count towards consecutive days of pay, providing the employee serves on jury duty Monday through Friday. Therefore, if an employee served on jury duty Monday through Friday and worked on both Saturday and Sunday, Saturday would be paid as a sixth (6th) consecutive day and Sunday would be paid as a seventh (7th) consecutive day in a workweek.

1846 Although jury duty service counts towards consecutive days of pay, jury duty pay itself is always paid at straight time.

1847 If a Health Care Professional is placed on an "on call" status by the courts, it is not necessary for the supervisor to rearrange the schedule at that time. However, once the employee has been notified that he/she must appear, the supervisor will attempt to reschedule the employee to Monday through Friday. If one (1) weeks' notice has not been given, jury duty shall not count for consecutive days of pay during the first (1st) week of jury duty service. Days spent on jury duty shall count towards consecutive days of pay in a workweek for all subsequent weeks of the jury duty service as outlined in the preceding paragraphs.

1848 On any day of jury service in which a Health Care Professional is excused entirely or in sufficient time to permit him/her to return to work for a minimum of one half (1/2) the regularly scheduled shift, he/she shall be required to do so.

1900 ARTICLE XIX – ADVANCE PRACTICE NURSE/PHYSICIAN ASSISTANT

1901 Definition of Advance Practice Nurse

1902 An Advance Practice Nurse is a Registered Nurse who meets the criteria set forth by the Board of Registered Nurses of the State of California and is generally assigned to function in an extended role.

1903 Definition of Physician Assistant

1904 A Physician Assistant is a Health Care Professional, licensed to practice medicine with physician supervision. PA's are educated in the physician model to complement physician training, working in partnership to enhance the delivery of health care.

1905 Evaluation Procedures

1906 Upon entering the Advance Practice Nurse/Physician Assistant classification, a Health Care Professional shall be subject to an ongoing evaluation of professional ethics and professional abilities by the supervisor in conjunction with the physician mentor. Because of the exacting nature of the assignment, there will be a primary evaluation period of six (6) months. Demonstrated sub level performance will result in removal to the general status of any previously held Health Care Professional classification and will not be subject to the grievance procedure.

1907 The primary evaluation period shall begin when a Health Care Professional is classified as a Advance Practice Nurse/Physician Assistant.

1908 A continuous system of written evaluations from the date of entering the Advance Practice Nurse/Physician Assistant classification will monitor technical capability and performance. Corrective conferences will be held when indicated.

1909 Upon completion of the initial six (6) month assignment, the Advance Practice Nurse/ Physician Assistant will continue under periodic written reviews.

1910 An Advance Practice Nurse/Physician Assistant removed from said position will normally be returned to any formerly held Health Care Professional position with the Employer.

1911 To alleviate concern on the part of the Advance Practice Nurse/Physician Assistant that unfair evaluations take place during the primary six (6) month period, the Employer fully emphasizes that deficiencies will be fully explored at conferences with the Health Care Professional, as required, and the conferences will be sufficiently timed to allow the Health Care Professional the opportunity to correct such deficiencies. Should the evaluation(s) result in removal, and should the Health Care Professional truly feel an unfair condition exists, the Health Care Professional, with or without the assistance of the Association, may make a written appeal for review by area SCPMG Management.

1912 Nothing in this procedure shall preclude the Advance Practice Nurse/Physician Assistant from participation in the grievance process for all other contractual matters.

1913 The Parties herein express adherence to Paragraphs 601 and 713 of the Agreement concerning non-discrimination.

1914 Wage Step Increases

1915 At the time of origination of the program, the Advanced Practice Nurse/Physician Assistant wage steps were coupled to a merit evaluation. That procedure is hereby revised to provide for automatic progression through the respective wage steps based on the service of the Advanced Practice Nurse/Physician Assistant. Performance evaluations and wage increases will be treated as separate items.

1916 Observance of Patient Schedules

1917 It is agreed that the primary criteria of the Advance Practice Nurse/Physician Assistant classification is direct delivery of patient care, and the assurance of meeting patient scheduling is vital to the continuation of the basic program.

1918 Notwithstanding the Association's right to exercise economic action when its own contract is terminated, the Employer, in accordance with Article IV – Strikes and Lockouts, expects all members of the bargaining unit to honor that provision. In addition, Advance Practice Nurse/Physician Assistant will be given permission by the Association to meet patient schedules throughout any or all work stoppages by non-Registered Nurse employees of the Employer. This agreement pertains solely to the normal or standard duties of each and every Advance Practice Nurse/Physician Assistant, and no other non-Registered Nurse Practitioner duties will be requested of or assigned to each Advance Practice Nurse/Physician Assistant during a work stoppage by other non-Registered Nurse employees.

1919 The Employer fully respects that an Advance Practice Nurse/Physician Assistant may work under protest and no overt action will be taken as a result.

1920 Continuing Education

1921 In addition to Education Leave as per Paragraph 2312, Advance Practice Nurse/Physician Assistants who attend the Regional continuing education classes for Advance Practice Nurse/Physician Assistants will be compensated at straight time to a maximum of six (6) days in a calendar year, three (3) of which may be used for non-Kaiser Permanente programs, and such time shall not count as time worked for purposes of computing overtime. Advance Practice Nurse/Physician Assistants may elect to work in lieu of attending the continuing education classes for Advance Practice Nurses/Physician Assistants. It is understood that on occasion, due to staffing needs, it may be necessary for an Advance Practice Nurse/Physician Assistant to relinquish attendance at a scheduled Regional Advance Practice Nurse/Physician Assistant continuing education class. ACP Advanced Practice

Nurses/Physician Assistants are entitled to a maximum of six (6) days at Kaiser Permanente sponsored programs.

1922 Posting and Filling Vacancies

1923 The Employer will notify the Association Co Chairpersons or President prior to the formation of Advance Practice Nurse/Physician Assistant Training Programs. The Employer will apprise the Association as to the number of Registered Nurses to be trained.

1924 All Advance Practice Nurse/Physician Assistant vacancies will be posted in accordance with the provisions of the Agreement as set forth in Article XII, Paragraph 1207.

1925 The practice of the Association reviewing the reasons for the non selection of Advance Practice Nurse/Physician Assistant applicant shall continue.

1926 Advance Practice Committee

1927 A local committee, which will include Advance Practice Nurses/Physician Assistants, will be formed for the purpose of discussing and resolving issues related to the established protocols and procedures for the expanded role of the Advance Practice Nurse/Physician Assistant as it applies to the Local Medical Center. The committee shall meet on a bi-monthly basis and will include representatives from SCPMG Administration, Physician Leader, Physician, Department Administrator, Human Resources, Advanced Practice Nurses and PA representatives, Local Affiliate Co-Chair/President, and other ad hoc members as may be determined appropriate by the committee. The Employer also agrees that during the course of such committee meetings, members of the committee shall be afforded pay for time spent in such meetings. The Advance Practice Committee shall utilize the principles of the Labor Management Partnership to address and resolve issues related to the charge of the Advance Practice Committee.

1928 Coverage

1929 All other Articles of this Agreement apply to Advance Practice Nurse/Physician Assistant, except as modified or limited by this Article.

2000 ARTICLE XX – HEALTH, DENTAL AND INSURANCE PLANS

2001 Health Plan Coverage – Active Health Care Professionals

2002 A Health Care Professional who is regularly scheduled to work twenty (20) or more hours per week (or two-hundred sixty (260) hours per quarter if an irregularly scheduled Part-Time Health Care Professional) and eligible dependents will be entitled to Employer paid Kaiser Foundation Health Plan coverage. Coverage is effective the first day of the month following the date of hire.

2003 Effective January 1, 2001 eligible dependents will include spouse, domestic partner, unmarried dependent children up to age twenty-five (25) without student certification, including stepchildren, and special dependents who are physically or mentally disabled children are also covered regardless of age, who are disabled provided such disability occurred prior to the dependent child turning limiting age. Annual certification of disability and dependency may be required by Kaiser Permanente Foundation Health Plan.

2004 Kaiser Foundation Health Plan Coverage includes inpatient, outpatient, mental health benefits, vision care, prepaid prescriptions and durable medical equipment including orthotics, prosthetics and post surgical breast prostheses for mastectomies. Effective January 17, 1996, there will be a five dollar ($5.00) co-payment for each doctor's office visit and each prescription. Effective January 1, 2001, office visits for mental health will have a five dollar ($5.00) co-payment per visit after twenty (20) visits per calendar year. Effective January 1, 2002, all office visits for mental health will have a five dollar ($5.00) copayment; however, Health Care Professionals will be reimbursed for the first twenty (20) visits in a calendar year.

2005 Kaiser Foundation Health Plan Coverage contains a Coordination of Benefits (COB) provision.

2006 Retiree Health Plan Coverage

2007 Employees who retire and/or become eligible for Kaiser Foundation Health Plan Coverage on or after January 17, 1996, will have a five dollar ($5.00) co-payment for each doctor's office visit and each prescription. Effective January 1, 2001, office visits for mental health will have a five dollar ($5.00) co-payment per visit after twenty (20) visits per calendar year. Effective January 1, 2002, all office visits for mental health will have a five dollar ($5.00) copayment; however, Health Care Professionals will be reimbursed for the first twenty (20) visits in a calendar year.

2008 Early Retirement

2009 Kaiser Foundation Health Plan Coverage, Employer paid, shall be provided at age sixty-five (65) to each eligible Health Care Professional who retires under the Kaiser Permanente Southern California Employees Pension Plan prior to age sixty five (65) and has fifteen (15) years or more of service with the Kaiser Permanente Medical Care Program. However, early retirees who have ten (10) years of continuous service prior to January 1, 1990, will be eligible for Employer paid Health Plan coverage at their Early retirement date. Coverage will also be extended to the spouse or eligible domestic partner of the eligible retiree and coverage shall continue for eligible dependent children until they reach limiting age. "Special dependent children" who meet the eligibility requirements described in Paragraph 2003 will receive Health Plan coverage for the life of the retiree. Upon attainment of age sixty five (65), the retiree and/or spouse must enroll in Parts A and B of Medicare in order to be eligible for continued Health Plan coverage. Premiums for the cost of Part B of Medicare shall be the responsibility of the retiree and/or spouse/eligible domestic partner. For Health

Care Professionals retired prior to July 1, 1991, the Employer will reimburse the cost of Part B of Medicare on a quarterly basis.

2010 Disability Retirement

2011 Kaiser Foundation Health Plan Coverage, Employer paid, shall be provided to each eligible Health Care Professional and/or spouse/eligible domestic partner who retires under the disability provision of the Kaiser Permanente Southern California Employees Pension Plan prior to age sixty five (65). Coverage shall continue for eligible dependent children until they reach limiting age. "Special dependent children" who meet the eligibility requirements described in Paragraph 2003 will receive Health Plan coverage for the lifetime of the retiree. Upon reaching eligibility for Medicare benefits or attaining age sixty five (65), whichever is earlier, the retiree and/or spouse/eligible domestic partner must enroll in Parts A and B of Medicare in order to be eligible for continued Health Plan coverage. Premiums for the cost of Part B of Medicare shall be the responsibility of the retiree and/or spouse/eligible domestic partner. For Health Care Professionals retired prior to July 1, 1991, the Employer will reimburse the cost of Part B of Medicare on a quarterly basis.

2012 Normal Retirement

2013 Kaiser Foundation Health Plan Coverage, Employer paid, shall be provided to each eligible Health Care Professional who retires under the Kaiser Permanente Southern California Employees Pension Plan at age sixty five (65) and has fifteen (15) years or more of service with the Kaiser Permanente Medical Care Program, provided the Health Care Professional enrolls in Parts A and B of Medicare when first eligible. Coverage will also be extended to the spouse/eligible domestic partner of the eligible retiree provided the spouse/eligible domestic partner enrolls in Parts A and B of Medicare when first eligible or at the spouse's time of retirement. Coverage shall continue for eligible dependent children until they reach limiting age. "Special dependent children" who meet the eligibility requirements described in Paragraph 2003 will receive Health Plan coverage for the lifetime of the retiree. A Health Care Professional and/or spouse/eligible domestic partner who does not enroll in Parts A and B of Medicare when first eligible or at the time of retirement will not receive retiree Health Plan coverage. Premiums for the cost of Part B of Medicare shall be the responsibility of the retiree and/or spouse/eligible domestic partner. For Health Care Professionals retired prior to July 1, 1991, the Employer will reimburse the cost of Part B of Medicare on a quarterly basis. The preceding fifteen (15) year service requirement shall apply to Health Care Professionals hired on or after October 1, 1986.

2028 Life Insurance

2029 Employer-Paid

2030 A Health Care Professional who is regularly scheduled to work thirty two (32) hours or more per week is provided a six thousand dollar ($6,000) Group Life Insurance policy, a six thousand dollar ($6,000) Accidental Death and Dismemberment policy and a six thousand dollar ($6,000) Total and Permanent Disability benefit paid for by the Employer. This coverage is effective on the date of hire.

2031 Employer-paid life insurance coverage of two thousand dollars ($2,000) shall be provided for Health Care Professionals scheduled thirty two (32) or more hours per week who elect either Early, Normal or Postponed retirement under the provisions of Kaiser Permanente Southern California Employees Pension Plan and have fifteen (15) years of service in the plan.

2032 Employee Purchased/Optional

2033 Health Care Professionals regularly scheduled to work at least thirty two (32) hours per week may purchase their choice of the following Optional Life Insurance Programs at the Employer's cost:

	Basic	Accidental Death and Dismemberment
Program I	$10,000	$10,000
Program II	$20,000	$10,000
Program III	$30,000	$10,000
Program IV	$40,000	$10,000

2034 If a Health Care Professional who has elected an Optional Life Insurance Program becomes totally and permanently disabled, ten thousand dollars ($10,000) in Basic Life Coverage will be paid out in monthly installments under a Total and Permanent Disability provision. If the Health Care Professional has elected Program II, III, or IV, the remainder of the Health Care Professional's Basic Life Coverage, not subject to the Total and Permanent Disability provision, would remain in force in accordance with the Duration of Benefits schedule or until the Health Care Professional returns to work or is no longer disabled.

2035 A Health Care Professional who is hired into or accepts a position regularly scheduled to work thirty two (32) hours or more per week must elect to purchase Optional Life Insurance at the time they are eligible for such. If the Health Care Professional rejects this option and elects this coverage at a future date, he/she must provide proof of insurability.

2036 Survivor Benefit

2037 Each Full-Time and regularly scheduled Part-Time employee will be provided with a survivor benefit equal to one (1) month's base salary. This benefit is payable to a designated beneficiary during the period immediately following the death of the employee.

2038 Dental Plan

2039 A Health Care Professional who is regularly scheduled to work twenty (20) hours or more per week (or 260 hours per quarter if an irregularly scheduled Part-Time Health Care Professional) and eligible dependents will be entitled to dental coverage. Coverage is effective the first (1st) of the month following six (6) months of employment.

2040 Effective January 17, 1996, all newly hired Health Care Professionals who are eligible or become eligible for dental coverage during their first three (3) years of employment must elect a prepaid dental program. Upon completion of three (3) years of service, an employee may elect to continue coverage in the prepaid dental program or elect Delta Dental Plan during any subsequent open enrollment period.

2041 The Employer shall maintain a dental plan, currently Delta Dental, for eligible Health Care Professionals and their eligible dependents at benefit levels of seventy percent (70%) UCR (Usual, Customary and Reasonable) fees for basic dental work and fifty percent (50%) for major dental work. Effective January 1, 2001 eligible dependents will include spouse, domestic partner, unmarried dependent children up to age twenty-five (25) without student certification, including stepchildren, and special dependent children, regardless of age, provided such disability occurred prior to the dependent child turning limiting age. Annual certification of disability and dependency may be required.

2042 A diagnostic and preventative benefit shall be included in the dental plan which will pay one hundred percent (100%) of the dentist's fees for the following procedures:

1. Prophylaxis (twice every calendar year)
2. Prophylaxis with fluoride treatment
3. Examinations
4. Full mouth x-rays (once every three (3) years)
5. Bite wing x-rays (twice every calendar year)
6. Space maintainers (for patients under eighteen (18) years of age in the event of a lost tooth)

2043 An orthodontia program shall be included in the dental plan. The plan will pay fifty percent (50%) of the dentist's regular and customary fee for orthodontic services to eligible dependent children under nineteen (19) years of age. The maximum plan obligation for such services is one thousand dollars ($1,000) per person.

2044 The Employer offers an optional prepaid Dental Plan to all eligible Health Care Professionals.

2100 ARTICLE XXI – MEDICAL MALPRACTICE INSURANCE

2101 The Employer carries medical malpractice insurance coverage which includes Health Care Professionals in its employ. The Employer will hold its employees harmless from any liability where the liability is imposed because of negligent acts of an employee in the course and scope of employment.

2200 ARTICLE XXII – PENSION PLAN

2201 Each Health Care Professional becomes a participant in the pension plan on date of hire.

2202 Each Health Care Professional who works forty (40) hours or more per month earns service under the provisions of the Kaiser Permanente Southern California Employees Pension Plan (KPSCEPP). Effective January 1, 1989, each Health Care Professional will receive service for all compensated hours each month. One (1) year of service will be earned each calendar year in which the Health Care Professional is compensated for one thousand (1,000) or more hours of employment. In years when the Health Care Professional attains fewer than one thousand (1,000) compensated hours, prorated service will be given. Service is used to determine eligibility for vesting.

2203 The formula for normal monthly retirement income shall be 1.45% of final average pay multiplied by years of credited service multiplied by the final average pay with no integration with Social Security.

2204 Final Average Pay is the monthly average of a Health Care Professional's base wages over the highest sixty (60) consecutive months of compensation in the last one hundred twenty (120) months of employment. Final Average Pay for pension calculations for ACP and Per Diem Health Care Professionals excludes special bonuses/allowances/differentials and will, therefore, be calculated solely on the base rate.

2205 Any calendar year in which a Health Care Professional receives pay for two thousand (2,000) hours or more is a full year of credited service which is used to determine benefits. For years on or after January 1, 2003, a year of credited service is based on 1,800 compensated hours. Partial years of credited service are counted for compensated hours in calendar years in which a Health Care Professional receives pay for less than 2,000/1,800 hours, as applicable.

2206 Vesting is attained upon completion of five (5) years of service as defined in Paragraph 2202.

2207 A Health Care Professional who retires beyond age sixty five (65) will have his or her earned pension benefits computed based upon the formula, credited service and final average pay in effect at the time of retirement.

2208 Pre-Retirement Survivor Annuity

2209 The Employer will provide a qualified Preretirement Survivor Annuity to active employees vested in the Kaiser Permanente Southern California Employees Pension Plan at no cost to the Health Care Professional. This benefit provides an annuity to the spouse/eligible domestic partner of a Health Care Professional who dies prior to retirement. The spouse or eligible domestic partner will receive a benefit calculated as if the Health Care Professional retired the day before death and elected a joint and survivor annuity with a fifty percent (50%) continuation to the survivor. The benefit is payable to the spouse at the time the Health Care Professional would have first qualified for early retirement. This benefit is payable to the eligible domestic partner no later than one (1) year following the employee's death.

2210 Tax Deferred Retirement Savings Plans

2211 The Employer has established voluntary tax deferred retirement savings plans. The future of the plans and their provisions will be determined by Kaiser Foundation Health Plan, Inc.

2300 ARTICLE XXIII – EDUCATION

2301 In Service Education

2302 The Employer shall establish in service education programs. Such programs may include general orientation of newly hired Health Care Professionals job assignment related training, and courses in new concepts, innovations and techniques in providing patient care.

2303 It is recognized that the in service requirements for Medical Group departments are generally different from those departments which are covered under hospital licensure and accreditation.

2304 The Medical Group and its departments are, however, committed to the encouragement and support of in service programs. This support may consist of the provision of facilities, equipment, training staff and course content provided by physicians or non physician personnel.

2305 These programs may be specialized programs provided to nursing personnel in a department or may be programs open to nurses from many departments. In the latter instance, dissemination of information regarding these open programs will be made throughout the Medical Center.

2306 In service will generally occur during times when Medical Group departments are not in session; for example, early morning or lunchtime.

2307 If attendance at a program is mandatory, the time in attendance will be considered as time worked for pay purposes and such mandatory class will not be charged to the Health Care Professional's education leave.

2308 Special Education

2309 As required by the Employer, Health Care Professionals attending designated courses shall be reimbursed for course connected expenses and fees. Such course work must be directly related to the Health Care Professional's occupation and must be approved in advance by the respective Administrator. Requests of individual Health Care Professionals will receive consideration for Special Education Benefits.

2310 Education Tuition Reimbursement

2311 The Employer's standard education tuition reimbursement program will apply to Health Care Professionals who successfully complete approved courses.

2312 Education Leave With Pay

2313 It is recognized that individual Health Care Professionals, upon occasion, may wish to participate in bona fide education programs. The Employer encourages participation if attendance at the programs will enhance the quality of nursing service rendered to patients and, if it will be beneficial, in general, to the total group medical care program, the Employer is willing to consider requests for such leave. Final approval for attendance must be obtained from the Employer. Such response to Education Leave requests will be made within ten (10) calendar days. If the approval is given, the Health Care Professional will be eligible for paid education leave based on the schedule below. Any requests for days in excess of the accrued Education Leave will be considered by the Employer on an individual basis. Pay for such leave shall be at straight time. Requests for such leave should be submitted to the Employer sufficiently in advance of the program to enable effective planning and scheduling for the Health Care Professional's absence. Education leave may be utilized on other than scheduled workdays.

2314 Health Care Professionals will not be denied paid education leave solely on course content, provided that nursing continuing education units are being offered for the requested class. The granting of all such requests will be predicated on staffing.

2315 Five (5) workdays of Education Leave per year may be taken after the completion of one (1) full year of employment. The Education Leave may be taken in increments of less than four (4) hours.

2316 Education Leave Accumulation

2317 Health Care Professionals may accumulate unused Education Leave from year to year to a maximum of six (6) days.

2318 Education Leave Without Pay

2319 Leaves of absence without pay may be granted by the Employer for the purpose of pursuing recognized individual education goals. Loss or retention of service credits and benefits will be based upon prior approval of local management.

2400 ARTICLE XXIV – PART-TIME AND IRREGULARLY SCHEDULED

2401 Coverage

2402 All other Articles of this Agreement apply to Part-Time and irregularly scheduled Health Care Professionals except as modified or limited by this Article. Per Diem Health Care Professionals are not eligible for benefits, premiums, etc., unless specified in this Agreement.

2403 Probation

2404 Each new hire, Part-Time or irregularly scheduled Health Care Professional will serve a probationary period of sixty (60) days worked, or four-hundred eighty (480) hours cumulative time worked.

2405 Designated Holidays

2406 Part-Time and irregularly scheduled Part-Time Health Care Professionals shall receive designated holidays in accordance with Article XVI – Work Life Balance Traditional Time Off Program. Part-Time and irregularly scheduled Part-Time Health Care Professionals shall receive a designated holiday allowance for designated holidays on the basis of the number of straight time hours worked in the two (2) preceding pay periods in which the designated holiday is observed. The number of hours of designated holiday pay received shall be five percent (5%) of the straight time hours worked in the two (2) preceding pay periods or four (4) hours, whichever is greater.

2407 Work Life Balance Traditional Time Off Program

2408 Part-Time and irregularly scheduled Part-Time Health Care Professionals earn vacation in accordance with Article XVI – Work Life Balance Traditional Time Off Program.

2409 Part-Time and irregularly scheduled Part-Time Health Care Professionals will be eligible for payment of vacation at an amount equal to their posted FTE status. For example, a Health Care Professional hired into a position posted at twenty (20) hours per week who takes one week of vacation, will be paid twenty (20) hours of vacation for the week, provided the Health Care Professional has sufficient vacation hours in their account. The aforementioned language does not preclude an employee from taking a in-service cash out during the same pay period that vacation is paid.

2410 Sick Leave

2411 Part-Time and irregularly scheduled part-time Health Care Professionals earn sick leave in accordance with Article XVI – Work Life Balance Traditional Time Off Program.

2412 Education Leave With Pay

2413 Part-Time Health Care Professionals, regularly scheduled twenty (20) hours or more per week, may use three (3) workdays of Education Leave per year after the completion of one (1) full year of employment. Part-Time Health Care Professionals may accumulate unused Education Leave from year to year to a maximum of four (4) days. The Education Leave may be taken in increments of less than four (4) hours.

2414 A Health Care Professional who changes status from Full-Time to Part-Time will be credited with any accumulated Education Leave to a maximum of four (4) days. A Health Care Professional who changes status from Part-Time to Full-Time will be credited with any accumulated Education Leave and will receive one (1) additional day of Education Leave.

2415 Health, Dental and Insurance Plans

2416 Health Plan

2417 Part-Time Health Care Professionals who regularly work sufficient hours (twenty (20) hours per week for regularly scheduled Part-Time and two-hundred sixty (260) hours per quarter for irregularly scheduled Part-Time) will be entitled to Kaiser Foundation Health Plan Coverage and coverage for their eligible dependents in accordance with Article XX.

2418 Insurance Program

2419 Part-Time Health Care Professionals regularly scheduled to work thirty two (32) hours or more per week shall be entitled to all benefits of the Group Life Insurance Program outlined in Article XX, Paragraph 2030.

2420 Part-Time and irregularly scheduled Part-Time Health Care Professionals who work less than thirty two (32) hours per week will receive one thousand dollars ($1,000) Group Life Insurance and one thousand dollars ($1,000) Accidental Death and Dismemberment Insurance paid by the Employer. Such coverage will become effective on the Health Care Professional's date of hire.

2421 Dental Benefits

2422 Part-Time Health Care Professionals who regularly work sufficient hours (twenty (20) hours per week for regularly scheduled Part-Time and two-hundred sixty (260) hours per quarter for irregularly scheduled Part-Time) will be entitled to the dental plan in accordance with Article XX.

2500 ARTICLE XXV – SAFETY AND HEALTH

2501 The Employer shall make reasonable provisions for the safety and health of the Health Care Professionals during the hours of their employment. The Employer will also review unsafe conditions brought to its attention for corrective action when necessary. The Employer and the Association as well as the Health Care Professionals recognize their obligations and/or rights under existing Federal and State laws with respect to safety and health.

2600 ARTICLE XXVI – SAVINGS CLAUSE

2601 *If any provision of this Agreement is found to be in conflict with any Federal or State laws,* the remaining provisions of the Agreement shall remain in full force and effect.

2700 ARTICLE XXVII – PRIOR BENEFITS AND POLICIES

2701 It is agreed there shall be no reduction in current and past benefits and Health Care Professional personnel policies in effect prior to the consummation of this Agreement except as agreed to by the Parties.

2800 ARTICLE XXVIII – DURATION

2801 The term of this Agreement shall be from the date of execution, and shall continue in effect to 12:01 a.m., September 30, 2010, for KBRNA, KBKRNA, KFRNA, KOCPA, KOVRNA, KPRNA, KRRNA, KSBHPA, KSDHCPA, KBPRNA, KSRNA, KWHRNA, and KWRNA. It shall continue in effect from year to year thereafter unless changed or terminated as provided herein.

2802 Either Party wishing to change or terminate this Agreement must serve written notice of desire to amend to the other Party at least ninety (90) days prior to the expiration date.

2803 When notice to amend is given, the Party giving notice must specify such changes in writing prior to the beginning of negotiations.

2804 If a new Agreement is not reached prior to the expiration date, or any anniversary date thereafter, the Parties may mutually extend the existing Agreement, in writing, for a specified period of time.

2805 Applicable Federal law which establishes special notice periods for health care institutions shall prevail over this Agreement.

2900 ARTICLE XXIX – REGISTERED NURSE WAGE SCHEDULE

2901 Bachelor's Degree: Registered Nurses who at the time of hire possess a Bachelor of Science Degree from an accredited college should be hired at the starting experienced rate. Registered Nurses who possess a degree at time of hire and who are started at the start rate should move to the twelve (12) month rate in six (6) months and to the twenty-four (24) month rate on their anniversary date six (6) months later. A Registered Nurse who possesses a Bachelor of Science Degree in Nursing from an accredited college, and who has one (1) or more years of experience, should be hired at the twelve (12) month rate. Registered Nurses who obtain Baccalaureate Degree in an allied health field while employed will be given one year of credit toward their next step increase. For Part-Time and Per Diem Registered Nurses, this will be 1600 hours toward their next step increase.

2902 Addendum to Wage Schedule

Part-Time, Irregularly Scheduled Part-time, and Per Diem Registered Nurses Step Advancement on the wage schedule will be as follows: 1600 hours equals one year, i.e.

12 months	24 months	36 months	48 months	60 months
1600 Hrs	3200 Hrs	4800 Hrs	6400 Hrs	8000 Hrs

UNAC/UHCP-KP REGISTERED NURSE 2005-2007 WAGE STRUCTURE

NON ACP/PER DIEM

	Eff. Date	Inexp.	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	8 yr	10 yr	15 yr	20 yr	25 yr
Level II	10/1/04	27.437	29.089	30.839	32.355	33.892		35.703			36.777	37.883	38.383	38.883
	10/1/05	28.406	30.110	32.519	34.145	35.852	36.928	38.405	38.981	39.566	40.159	40.762	41.373	41.994
	5/1/06	28.690	30.411	32.844	34.486	36.211	37.297	38.789	39.468	40.060	40.661	41.372	41.993	42.623
	10/1/06	29.238	30.992	33.172	34.831	36.572	38.035	39.557	40.941	42.272	43.646	44.573	45.465	46.147
	12/1/06	29.238	30.992	33.471	35.145	36.902	38.378	39.913	41.310	42.652	44.039	45.184	46.313	47.471
	10/1/07	30.699	32.541	35.145	36.902	38.747	40.297	41.909	43.375	44.785	46.241	47.443	48.629	49.845
Level III	10/1/04	28.400	30.112	31.922	33.490	35.082		36.957			38.068	39.213	39.713	40.213
	10/1/05	29.544	31.316	33.821	35.512	37.288	38.407	39.943	40.542	41.150	41.767	42.394	43.030	43.675
	5/1/06	29.839	31.629	34.159	35.867	37.661	38.790	40.342	41.048	41.664	42.289	43.029	43.674	44.329
	10/1/06	30.408	32.233	34.501	36.226	38.037	39.558	41.141	42.581	43.965	45.393	46.358	47.285	47.994
	12/1/06	30.408	32.233	34.811	36.552	38.379	39.915	41.511	42.964	44.360	45.802	46.993	48.168	49.372
	10/1/07	31.929	33.844	36.552	38.379	40.298	41.910	43.587	45.112	46.578	48.092	49.343	50.576	51.841
Level IV	10/1/04		30.639	32.487	34.078	35.698		37.605			38.736	39.901	40.401	40.901
	10/1/05		31.616	34.145	35.852	37.645	38.774	40.325	40.930	41.544	42.167	42.800	43.442	44.093
	5/1/06		31.932	34.486	36.211	38.021	39.162	40.728	41.441	42.063	42.694	43.441	44.092	44.754
	10/1/06		32.541	34.831	36.572	38.401	39.937	41.535	42.988	44.385	45.828	46.802	47.738	48.454
	12/1/06		32.541	35.145	36.902	38.747	40.297	41.909	43.375	44.785	46.241	47.443	48.629	49.845
	10/1/07		34.168	36.902	38.747	40.684	42.312	44.004	45.544	47.024	48.553	49.815	51.060	52.337

UNAC/UHCP-KP REGISTERED NURSE 2005-2007 WAGE STRUCTURE

NON ACP/PER DIEM

	Eff. Date	Inexp.	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	8 yr	10 yr	15 yr	20 yr	25 yr
Level V	10/1/04		31.169	33.045	34.667	36.314		38.254			39.405	40.590	41.090	41.590
	10/1/05		32.412	35.005	36.755	38.593	39.751	41.341	41.961	42.590	43.229	43.878	44.536	45.204
	5/1/06		32.736	35.355	37.123	38.979	40.148	41.754	42.485	43.122	43.769	44.535	45.203	45.881
	10/1/06		33.361	35.708	37.494	39.368	40.943	42.581	44.071	45.503	46.982	47.981	48.940	49.674
	12/1/06		33.361	36.030	37.831	39.723	41.312	42.964	44.468	45.913	47.405	48.638	49.854	51.100
	10/1/07		35.029	37.831	39.723	41.709	43.377	45.112	46.691	48.209	49.775	51.070	52.346	53.655
PHN	10/1/04		31.180	33.057	34.462	36.247		37.956			39.097	40.273	40.773	41.273
	10/1/05		32.412	35.005	36.755	38.593	39.751	41.341	41.961	42.590	43.229	43.878	44.536	45.204
	5/1/06		32.736	35.355	37.123	38.979	40.148	41.754	42.485	43.122	43.769	44.535	45.203	45.881
	10/1/06		33.361	35.708	37.494	39.368	40.943	42.581	44.071	45.503	46.982	47.981	48.940	49.674
	12/1/06		33.361	36.030	37.831	39.723	41.312	42.964	44.468	45.913	47.405	48.638	49.854	51.100
	10/1/07		35.029	37.831	39.723	41.709	43.377	45.112	46.691	48.209	49.775	51.070	52.346	53.655
Sr. PHN	10/1/04		32.742	34.715	36.189	38.066		39.860			41.059	42.294	42.794	43.294
	10/1/05		34.033	36.755	38.593	40.523	41.738	43.408	44.059	44.720	45.391	46.072	46.763	47.464
	5/1/06		34.373	37.123	38.979	40.928	42.156	43.842	44.609	45.278	45.957	46.762	47.463	48.175
	10/1/06		35.029	37.494	39.368	41.337	42.990	44.710	46.275	47.778	49.331	50.380	51.387	52.158
	12/1/06		35.029	37.831	39.723	41.709	43.377	45.112	46.691	48.209	49.775	51.070	52.346	53.655
	10/1/07		36.780	39.723	41.709	43.794	45.546	47.368	49.026	50.619	52.264	53.623	54.964	56.338

UNAC/UHCP-KP REGISTERED NURSE 2005-2007 WAGE STRUCTURE

ACP/PER DIEM

	Eff. Date	Inexp.	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	8 yr	10 yr	15 yr	20 yr	25 yr
Level II	10/1/04	32.924	34.907	37.007	38.826	40.670		42.844			44.132	45.460	45.960	46.460
	10/1/05	34.087	36.132	39.023	40.974	43.023	44.314	46.086	46.777	47.479	48.191	48.914	49.648	50.393
	5/1/06	34.428	36.494	39.413	41.384	43.453	44.756	46.547	47.361	48.072	48.793	49.647	50.391	51.147
	10/1/06	35.086	37.190	39.807	41.797	43.887	45.642	47.468	49.130	50.726	52.375	53.488	54.558	55.376
	12/1/06	35.085	37.190	40.165	42.173	44.282	46.053	47.896	49.572	51.183	52.846	54.220	55.576	56.965
	10/1/07	36.839	39.049	42.173	44.282	46.496	48.356	50.290	52.050	53.742	55.489	56.931	58.355	59.814
Level III	10/1/04	34.080	36.134	38.306	40.188	42.098		44.348			45.682	47.056	47.556	48.056
	10/1/05	35.452	37.579	40.586	42.615	44.746	46.088	47.931	48.650	49.380	50.121	50.873	51.636	52.410
	5/1/06	35.807	37.955	40.991	43.041	45.193	46.549	48.411	49.258	49.997	50.747	51.635	52.409	53.195
	10/1/06	36.490	38.680	41.401	43.471	45.644	47.470	49.369	51.097	52.757	54.472	55.630	56.742	57.593
	12/1/06	36.490	38.679	41.773	43.862	46.055	47.897	49.813	51.557	53.232	54.962	56.391	57.801	59.246
	10/1/07	38.314	40.613	43.862	46.055	48.358	50.292	52.304	54.135	55.894	57.711	59.211	60.691	62.209
Level IV	10/1/04		36.767	38.984	40.894	42.838		45.126			46.483	47.881	48.381	48.881
	10/1/05		37.939	40.974	43.023	45.174	46.529	48.390	49.116	49.853	50.601	51.360	52.130	52.912
	5/1/06		38.318	41.384	43.453	45.626	46.994	48.874	49.729	50.475	51.232	52.129	52.911	53.705
	10/1/06		39.049	41.797	43.887	46.081	47.925	49.842	51.586	53.263	54.994	56.162	57.285	58.145
	12/1/06		39.049	42.173	44.282	46.496	48.356	50.290	52.050	53.742	55.489	56.931	58.355	59.814
	10/1/07		41.002	44.282	46.496	48.821	50.774	52.805	54.653	56.429	58.263	59.778	61.272	62.804

UNAC/UHCP-KP REGISTERED NURSE 2005-2007 WAGE STRUCTURE

ACP/PER DIEM

	Eff. Date	Inexp.	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	8 yr	10 yr	15 yr	20 yr	25 yr
Level V	10/1/04		37.403	39.654	41.600	43.577		45.905			47.286	48.708	49.208	49.708
	10/1/05		38.894	42.006	44.106	46.312	47.701	49.609	50.353	51.108	51.875	52.653	53.443	54.245
	5/1/06		39.283	42.426	44.547	46.775	48.178	50.105	50.982	51.746	52.523	53.442	54.243	55.057
	10/1/06		40.033	42.850	44.992	47.242	49.132	51.097	52.885	54.604	56.379	57.577	58.728	59.609
	12/1/06		40.033	43.236	45.397	47.667	49.574	51.557	53.361	55.096	56.886	58.365	59.824	61.320
	10/1/07		42.035	45.397	47.667	50.051	52.053	54.135	56.029	57.850	59.730	61.283	62.816	64.386
PHN	10/1/04		37.416	39.668	41.354	43.496		45.547			46.916	48.328	48.828	49.328
	10/1/05		38.894	42.006	44.106	46.312	47.701	49.609	50.353	51.108	51.875	52.653	53.443	54.245
	5/1/06		39.283	42.426	44.547	46.775	48.178	50.105	50.98	51.746	52.523	53.442	54.243	55.057
	10/1/06		40.033	42.850	44.992	47.242	49.132	51.097	52.885	54.604	56.379	57.577	58.728	59.609
	12/1/06		40.033	43.236	45.397	47.667	49.574	51.557	53.361	55.096	56.886	58.365	59.824	61.320
	10/1/07		42.035	45.397	47.667	50.051	52.053	54.135	56.029	57.850	59.730	61.283	62.816	64.386
Sr. PHN	10/1/0		39.290	41.658	43.427	45.680		47.832			49.271	50.753	51.253	51.753
	10/1/05		40.839	44.106	46.312	48.627	50.086	52.089	52.871	53.664	54.469	55.286	56.115	56.957
	5/1/06		41.247	44.547	46.775	49.113	50.587	52.610	53.531	54.334	55.149	56.114	56.956	57.810
	10/1/06		42.035	44.992	47.242	49.604	51.588	53.652	55.529	57.334	59.197	60.455	61.665	62.590
	12/1/06		42.035	45.397	47.667	50.051	52.053	54.135	56.029	57.850	59.730	61.283	62.816	64.386
	10/1/07		44.136	47.667	50.051	52.553	54.655	56.841	58.831	60.743	62.717	64.348	65.956	67.605

UNAC/UHCP-KP RNP/PA 2005-2007 WAGE STRUCTURE

NON ACP/PER DIEM

	Eff. Date	Start	0.5	1 yr	1.5 yr	2 yr	3 yr	4 yr	5 yr	10 yr	15 yr	20 yr	25 yr
RNP/PA I	10/1/04	36.000	37.484	38.972	40.690	42.404	44.202	45.971	47.779	49.215	50.694	51.194	51.694
	10/1/05	38.160	39.733	41.310	43.131	44.948	46.854	48.729	50.646	52.168	53.736	55.079	56.456
	10/1/06	40.068	41.720	43.376	45.288	47.196	49.197	51.166	53.178	54.776	56.422	57.833	59.279
	10/1/07	42.071	43.806	45.545	47.552	49.555	51.657	53.723	55.837	57.515	59.244	60.725	62.243
RNP/PA II	10/1/04	41.684	43.406	45.127	47.111	49.101	51.178	53.227	55.316	56.979	58.691	59.191	59.691
	10/1/05	44.185	46.010	47.835	49.938	52.047	54.249	56.421	58.635	60.398	62.212	63.768	65.361
	10/1/06	46.394	48.311	50.226	52.435	54.649	56.961	59.242	61.567	63.418	65.323	66.956	68.630
	10/1/07	48.714	50.727	52.738	55.057	57.381	59.809	62.204	64.645	66.589	68.589	70.303	72.060

ACP/PER DIEM

	Eff. Date	Start	0.5	1 yr	1.5 yr	2 yr	3 yr	4 yr	5 yr	10 yr	15 yr	20 yr	25 yr
RNP/PA I	10/1/04	43.200	44.981	46.766	48.828	50.885	53.042	55.165	57.334	59.058	60.833	61.333	61.833
	10/1/05	45.792	47.680	49.572	51.758	53.938	56.225	58.475	60.775	62.601	64.483	66.095	67.747
	10/1/06	48.081	50.064	52.051	54.346	56.635	59.036	61.399	63.814	65.732	67.707	69.400	71.135
	10/1/07	50.486	52.567	54.654	57.063	59.467	61.988	64.468	67.005	69.018	71.092	72.870	74.691
RNP/PA II	10/1/04	50.020	52.087	54.152	56.534	58.922	61.414	63.872	66.379	68.374	70.429	70.929	71.429
	10/1/05	53.021	55.212	57.402	59.925	62.457	65.099	67.704	70.362	72.476	74.655	76.521	78.433
	10/1/06	55.673	57.973	60.272	62.921	65.579	68.353	71.090	73.880	76.101	78.388	80.347	82.356
	10/1/07	58.456	60.872	63.285	66.068	68.859	71.772	74.643	77.574	79.905	82.307	84.364	86.472

IN WITNESS WHEREOF,
the Parties hereto have executed this Agreement the day and year first above written:

KAISER FOUNDATION HOSPITALS
SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP

/S/ Benjamin K. Chu, MD
Benjamin K. Chu, MD
President, Southern California Region

/S/ Jeffrey A. Weisz, MD
Jeffrey A. Weisz, MD
Executive Medical Director

/S/ Thomas Williamson
Thomas Williamson
SCPMG Business Administrator Operations

/S/ Michael Belmont
Michael Belmont
Director, Labor Relations – South

/S/ Richard Rosas
Richard Rosas
Sr. Labor Relations Representative

/S/ Arlene F. Peasnall
Arlene F. Peasnall
Human Resource Leader

/S/ Patti L. Carson
Patti L. Carson
VP, Human Resources, Southern California

/S/ Cathy Cousineau
Cathy Cousineau
Sr. Human Resources Consultant

/S/ Terry Bream
Terry Bream
Manager, SCPMG Nursing Administration

/S/ Tracy Feitz
Tracy Feitz
Medical Group Administrator

/S/ Elizabeth J. Dimick
Elizabeth J. Dimick
Director of Emergency Services, LDMC

/S/ Denise Giambalvo
Denise Giambalvo
Nurse Executive

/S/ Gonzalo Garreton, MD
Gonzalo Garrenton, MD

/S/ Kristine Hillary
Kristine Hillary
Regional Director of Home Care Sevices

KAISER FOUNDATION HOSPITALS
SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP

/S/ Janet Gordon

Janet Gordon
Director of KP On-Call

/S/ Candace Kielty

Candace Kielty
Department Administrator

/S/ Judy Husted

Judy Husted
Exec. Director of Patient Care Services

/S/ Karen Jenkins

Karen Jenkins
Clinical Director Perinatal

/S/ Maggie Pierce

Maggie Pierce
Director of Hospital Operations

/S/ Keven Porter

Keven Porter
Assistant Emergency Dept. Administrator

/S/ Alicia Solis

Alicia Solis
Manager, Nurse Recruitment Services

/S/ Nancy Tankel

Nancy Tankel
Med/Surg/Critical Care Consultant

/S/ Feleta Stone

Feleta Stone
Project Manager, TIME

/S/ Vita Willet

Vita Willet
Director of Hospital Operations

/S/ Inez Tenzer

Inez Tenzer
Practice Leader Consulting/
National Program Lead OLMP

UNITED NURSES ASSOCIATIONS OF CALIFORNIA / UNION OF HEALTH CARE PROFESSIONALS, KBKRNA, KBRNA, KFRNA, KOCPA, KPRNA, KRRNA, KSBHPA, KSDHCPA, KBPRNA, KSRNA, KWHRNA, KWRNA AND KOVRNA

/S/ Henry Nicholas

Henry Nicholas, President
National Union of Hospital and Health Care Employees, AFSCME, AFL CIO

/S/ Kathy J. Sackman, RN

Kathy J. Sackman, RN
President, UNAC/UHCP

/S/ Sonia Moseley, RNP

Sonia Moseley, RNP
Executive Vice President, UNAC/UHCP

/S/ Barbara Blake, RN

Barbara Blake, RN
State Secretary, UNAC/UHCP

/S/ Delima MacDonald, RN

Delima MacDonald, RN
State Treasurer, UNAC/UHCP

/S/ Ken Deitz, RN

Ken Deitz, RN
Representation Coordinator, UNAC/UHCP

/S/ Denise Duncan, RN

Denise Duncan, RN
Staff Representative, UNAC/UHCP

/S/ Bill Rouse

Bill Rouse
Research Coordinator, UNAC/UHCP

/S/ Susan Anderson, RN

Susan Anderson, RN
Co-Chairperson, KSBHPA

/S/ Pam Brodersen, RNP

Pam Brodersen, RNP
Co-Chairperson, KBRNA

/S/ Florence Capulong, RN

Florence Capulong, RN
KBPRNA

/S/ Zenaida Caro, RN

Zenaida Caro, RN
Executive Chair, KOVRNA

/S/ Danny Cortez, RN

Danny Cortez, RN
Co-Chairperson, KRRNA

UNITED NURSES ASSOCIATIONS OF CALIFORNIA / UNION OF HEALTH CARE PROFESSIONALS, KBKRNA, KBRNA, KFRNA, KOCPA, KPRNA, KRRNA, KSBHPA, KSDHCPA, KBPRNA, KSRNA, KWHRNA, KWRNA AND KOVRNA

/S/ Twyla Costello, RN

Twyla Costello, RN
Co-Chair, KRRNA

/S/ Mary Danclair, RN

Mary Danclair, RN
President, KSRNA

/S/ Emma Gutierrez-Catabui, RN

Emma Gutierrez-Catabui, RN
KBPRNA

/S/ Nellie Garcia, RN

Nellie Garcia, RN
Co-Chair, KPRNA

/S/ Cecilia Hippolito-Fischer, RN

Cecilia Hippolito-Fischer, RN
Hospital President, KWRNA

/S/ Kay Harris, RNP

Kay Harris RNP
Co-Chair, KOCPA

/S/ Deborah Kennard, RN

Deborah Kennard, RN
Co-Chair, KSDHCPA

/S/ Brenda Jordan, RN

Brenda Jordan, RN
Co-Chair, KFRNA

/S/ Mary Ann Martin, RN

Mary Ann Martin, RN
Co-Chairperson, KSBHPA

/S/ Dorothy Lawless, RNP

Dorothy Lawless, RNP
Clinic President, KWRNA

/S/ Cyndy Newborn, RN

Cyndy Newborn, RN
Co-Chair, KWHRNA

/S/ Vivian Miller, RNP

Vivian Miller, RNP
Co-Chair, KPRNA

/S/ Pam Pressney, RN

Pam Pressney, RN
Hospital President, KSDHCPA

/S/ Asela Omilig-Espiritu, RN

Asela Omilig-Espiritu, RN
Hospital President, KOCPA

/S/ Marcia Schlesinger, RNP

Marcia Schlesinger, RNP
Delegate to the Executive Council, KSRNA

/S/ Vicky Rohrig, RN

Vicky Rohrig, RN
Hospital President, KBRNA

LETTERS OF UNDERSTANDING

The purpose of this letter is to set forth the understandings reached during current contract negotiations with respect to matters which the parties agreed would not be included in the Agreement but would be included in a Letter of Understanding. This letter sets forth these understandings as follows:

1. Certification Requirements

   Kaiser Permanente and the Association commit to ongoing communication as requirements for UPIN, certifications, and any similar requirements evolve. The parties agree to bargain over the effects of such changes.

2. Association Meetings

   Upon request, Association meetings and elections may be held at the Medical Center facilities, when appropriate, provided space is available.

3. Bilingual Interpretations

   Under normal circumstances, whenever the Employer has a sufficient number of bilingual nurses, a Health Care Professional shall not be removed from his or her regular work area to interpret for non English speaking patients.

4. Combining Break and Lunch Periods - Medical Offices

   In unusual circumstances, where a Health Care Professional in the Medical Offices is unable to take time off for break purposes, the Health Care Professional may request and receive the time equivalent of such break to be used with the next following scheduled lunch period. A break is considered missed or unavailable when patient loads demand the uninterrupted services of the Health Care Professional during his or her normal break period.

5. Degree Program

   Those Registered Nurses with five (5) or more years of service, enrolled in a Registered Nurse Bachelor's Degree Program who are confronted with an unanticipated change in their class schedule during the last two (2) quarters/ semesters of their program may:

   a) be temporarily reassigned to an available position that does not conflict with the Registered Nurse's class schedule, and;

   b) at the conclusion of the course of study, the Registered Nurse shall be returned to the former or comparable position.

6. Educational Leave

The Employer agrees that Health Care Professionals may use Educational Leave on their days off in the same manner that it is utilized on scheduled workdays. That is to say, the Health Care Professional will receive eight (8) hours of Educational Leave on any given day, unless the Health Care Professional specifically requests less than eight (8) hours.

7. Eighty (80) Hour Pay Period

It is agreed that the eighty (80) hour pay period will be utilized for the purpose of determining weekly overtime/premium for night shift Health Care Professionals who are scheduled six (6) days in one (1) week and four (4) days the subsequent week solely as a result of the workweek. It is understood that the eighty (80) hour pay period shall be solely for the purpose of achieving every other weekend off.

8. Home Health Registered Nurses and Public Health Nurses Mileage Advance

It is agreed that an amount which is mutually acceptable to Management and the Association will be paid to each Home Health Registered Nurse and Public Health Nurse on a monthly basis as an advance for mileage reimbursement.

9. Inter-Bargaining Unit Transfers

The following applies to inter-bargaining unit transfers of Health Care Professionals within the Southern California Region between United Nurses Associations of California (UNAC/UHCP) and the American Federation of Nurses (AFN). It is understood this agreement is for Health Care Professionals who have completed their initial new hire probationary period with the Employer.

The parties agree that said transferees will undergo a trial period/transfer probationary period as opposed to a new hire initial probationary period as follows:

AFN Registered Nurses Transferring to UNAC/UHCP Position Vacancies:

Full-Time Registered Nurses who are accepted for a lateral transfer from an AFN position into a UNAC/UHCP position will undergo a new job trial period of thirty (30) calendar days. Part-Time Registered Nurses who are accepted for a lateral transfer from an AFN position to a UNAC/UHCP position will undergo a twenty (20) working day trial period. For transfers resulting in a move to any Specialty Unit, the Emergency Room, or into a Public Health Nurse or Home Care position, the trial period will be extended an additional thirty (30) calendar days.

UNAC/UHCP Registered Nurses Transferring to AFN Position Vacancies:

Full-Time Registered Nurses who are accepted for a lateral transfer from a UNAC/UHCP position into an AFN position will undergo a job probationary period of ninety (90)

calendar days. Transferees who are accepted into positions that require completion of a special course to become qualified shall undergo a sixty (60) day probationary period beginning after the completion of the course.

Return Rights to Former Assignment During Trial Period:

Should the Registered Nurse fail to qualify for the new assignment or elect to return to the former assignment during the trial/probationary period, said Registered Nurse shall be returned to his/her former assignment if unfilled, or to a comparable assignment if his/her former assignment has been filled. Registered Nurses who return to a former or comparable assignment pursuant to this Agreement shall suffer no loss of seniority, wage, wage level or benefit(s) for the time period spend in the transfer.

Limitation of Agreement:

The intent of this agreement is to address Inter-Bargaining Unit Transfers only. It is not the intent of this agreement to modify or supersede any provisions of the AFN or UNAC/ UHCP Collective Bargaining Agreements currently in force.

10. Joint Labor/Management Education Committee/Fund

In the interest of providing high quality patient care and career progression opportunities for Health Care Professionals, and in accordance with the Kaiser Permanente and Labor commitment to make an essential investment in educational, training and development, the Association and Employer have jointly established an Education Committee/Fund. The purpose of this fund is to encourage and support career development of Health Care Professionals, which ultimately enhances Kaiser Permanente's ability to provide superior health care to its members.

The Committee charged with the administration of the educational fund shall consist of three (3) representatives from Management to include a representative from Labor Relations, a representative from inpatient nursing and a representative from the medical offices; and three (3) representatives from the Association, to include the Association President (or designee), and two (2) additional representatives. The joint committee will determine the type and scope of educational/training courses offered and the criteria for selecting Health Care Professionals for such programs. The Committee shall follow the guidelines developed during the local negotiations that are set forth below. The joint committee shall meet as often as necessary, but at least quarterly. The joint committee will retain sole authority to make decisions on fund expenditures.

Guidelines

- Classes in various specialties
- Single focus training
- Mentoring/precepting
- Identify training needs for each Service Area, Medical Group and Hospital

- Increase number of internal Kaiser Permanente specialty training programs
- Collaborate by way of interest based problem solving and consensus
- Review program annually
- Various training modalities
- Providing competent health professional relief coverage

The Education Fund will be maintained at $550,000 for each year of the Agreement (beginning January 1, 2006). It is understood that these monies will only be utilized for those courses, seminars, programs, educational materials, instructors and other associated costs of providing training. As part of the yearly accrual of $550,000, Nurse Practitioners and Physician Assistants will be eligible for CEU/CME reimbursement of up to $500.00 per calendar year. Per Diem Nurse Practitioners and Physician Assistants working a minimum of 1000 hours in the twelve (12) month period prior to the date of the course are eligible to receive CEU/CME reimbursement up to $250.00 per calendar year.

Further, Health Care Professionals will be required to attend the educational/training courses on their own time, and such time spent in training will not count as hours worked for the purpose of computing overtime, premium pay or another benefit associated with their employment. Employees may utilize their paid Educational Leave to attend training programs sponsored by the Education Fund.

11. Joint Staffing and Scheduling Committee

Each Service Area and/or Medical Center will implement a joint labor/management committee that will be charged with developing a scheduling and staffing process that meets the needs of the members, employees and Employer. This Committee will also determine the appropriate way for their respective area to address the changing needs of the Nursing Units as vacancies occur, including skill mix. However, unless a need for change has been identified, postings for vacancies will be reflective of the prior incumbent status and shift.

Additional issues to be addressed by the Joint Staffing and Scheduling Committee include, but are not limited to: review of Full-Time, Part-Time, per diem and irregularly scheduled Part-Time positions to include number of positions and hours worked; work schedules (fixed or unfixed); self scheduling; and increase and/or decreases in number of bargaining unit positions; and the identification of a Union partner to work with the Employer in developing monthly work schedules.

12. Mandatory Certification

Kaiser shall provide training, time, and materials to meet mandatory certification requirements and/or re-certification requirements. Each local joint Labor Management Committee shall decide upon a method of implementation to ensure mandatory certification and/or re-certification using the following guidelines:

- Ensure access to certification programs and flexibility
- Develop a master regional calendar of certification programs

13. Non Professional Duties

The Employer agrees that in the course of managing its operation to continue to utilize to as great a degree as possible the professional skills of the Registered Nurse. The Registered Nurse Committee may make specific recommendations for the resolution of genuine problems to the appropriate Management Representative.

14. Levels Review Committee

Levels Review Committee, comprised of representatives from labor and management, will meet on a quarterly basis, or more frequently if needed, to review the requests for reclassification to a higher level utilizing the agreed upon criteria. The Levels Review Committee will consider the following types of requests for reclassifications to: Registered Nurse II to Registered Nurse III; Registered Nurse Charge/Senior; Registered Nurse Practitioner I to Registered Nurse Practitioner II and Physician Assistant I to Physician Assistant II. Repeat requests for reclassification will not be considered for review unless there has been a substantive/significant change in job function. Additionally, job descriptions for new positions or for existing positions that have substantively changed must be submitted to the Committee before posting.

15. Per Diem Seniority

For purposes of bidding from a Per Diem classification to a permanent classification, the Per Diem's total hours worked at that affiliate shall be used for the purpose of determining affiliate facility seniority for said transfer request. Per Diem Health Care Professionals who transfer to a permanent status will receive an affiliate facility seniority date measured from date of hire. Per Diem employees may apply for permanent positions at any time.

Upon transfer to a permanent position, wage progression will occur according to the Collective Bargaining Agreement.

Upon transfer to a permanent position, vacation eligibility will be based on date of hire.

Upon transfer to a permanent position, future job transfers, vacation selection (except Fontana) and holiday selection will be based on affiliate facility seniority. In KFRNA, vacation selection is based upon date of hire in Fontana.

16. Floating

1. Floating Priority/Sequence

The start order for the selection of Health Care Professionals to float is as follows:

a) Volunteers
b) Registry
c) Travelers on Extra Hours

The Medical Center shall further develop policy that considers the following in the float rotation:

a) Per Diem Staff
b) Travelers
c) Staff on extra shifts/days
d) Overtime
e) Health Care Professional working as a replacement for another Health Care Professional
f) Charge RN's/Preceptors should not float when they are fulfilling the role of charge or preceptor

2. Policy Statements

- Intent to float once per shift, return to home unit is not an additional float.
- There should be equitable distribution of floating by all shifts (8/10/12 hour).
- New graduate RN's shall not float during the first six (6) months after completion of the probation period. This time frame applies to both Full-Time and Part-Time new graduates.
- Newly hired Full-Time Health Care Professionals shall not float until ninety (90) days after the probation period, and Part-Time Health Care Professionals shall not float until they have worked 720 hours. This exclusion shall not apply to Health Care Professionals hired into a "Float Pool" position.
- Department and work location reflected on posting shall define the home unit for the purposes of float.
- Any time the Health Care Professional leaves his/her home unit/department it will be considered a float turn.
- Each unit shall be responsible for maintaining float log.

In addition, at each Medical Center, the RN Committee, operating under the principles of Labor Management Partnership will sponsor an ad hoc committee to address issues related to floating. The ad hoc committee will be responsible for making recommendations regarding float policies/practices to the RN Committee for consideration and approval. The float policy shall be reviewed annually by the RN Committee. The ad hoc committee shall consider the following in their work:

- Reducing the number of floats less than a full shift
- Creating/expanding float pools
- Reviewing service/unit float
- Evaluating the amount and reason for floating
- Identifying creative approaches/incentives to make floating desirable

The ad hoc committee will be responsible for making recommendations regarding float policies/practices to the RN Committee for consideration and approval by July 1, 2006.

17. Registry Utilization/Scheduling of Additional Hours

It is the intent of the Employer to utilize employee Health Care Professionals to fill shift vacancies prior to the scheduling and utilization of Registry Health Care Professionals except when working extra shifts negatively impacts patient care, co-workers or the requesting Health Care Professional, or when the Health Care Professional does not possess the qualifications to perform the work in the unit/ department where the shift vacancy exists.

Health Care Professionals must volunteer during the first (1st) two (2) weeks of the current schedule for available hours for the subsequent new schedule. At the close of the two (2) week sign-up period, the Employer will attempt to fill the remaining unassigned available hours with Registry personnel. Once confirmed, the Registry personnel cannot be displaced. The order of selection for Health Care Professionals to work additional shifts is as follows:

a. Part-Time Health Care Professionals available for additional day(s) –Non Premium Time
b. Per Diem –Non Premium Time
c. Full-Time and Part-Time available for additional days –Premium Time
d. Per Diem –Premium Time

In addition, the parties acknowledge Registry may be utilized in situations where the granting of overtime to a Health Care Professional results in consecutive day pay beyond seven (7) consecutive shifts.

Violations of this agreement will result in the affected Health Care Professional(s) being offered an extra shift within the subsequent thirty (30) day period. Should the same Health Care Professional again be affected within a six (6) month period, the Health Care Professional shall receive pay for time lost as if the Health Care Professional had worked the shift in question.

18. Review of Current Staffing Patterns

In recognition of mutual objectives of both parties in maintaining and improving the quality of patient care, the Employer agrees to continue to review staffing patterns. The review will include the evaluation of instances where requests for additional staffing have been made to the immediate supervisor. In the course of this review, the Employer shall invite the Executive Committee of the Health Care Professionals Association to provide information pertinent to the review. The Employer may keep the Executive Committee informed of the progress of the review. Decisions regarding staffing standards and assignment procedures will remain the exclusive right and responsibility of the Employer.

19. RNP/PA Education Time Off

The following outlines the procedure for ensuring Registered Nurse Practitioners and Physician Assistants contractual time off for continuing Education and to ensure time off for training.

1. If RNP/PA requests time off for continuing education or training 90 days before the posted schedule, the request shall be granted. Written acknowledgement shall be given within 10 days after receipt of requests.
2. If RNP/PA requests time off for continuing education or training 89-60 days before the posted schedule, the request should be granted (a good faith effort will be made based on minimum staffing considerations).
3. If RNP/PA requests time off for continuing education or training 59-30 days before the posted schedule, the request may be granted (subject to minimum staffing considerations).
4. If an RNP/PA requests time off for continuing education or training outside of the time frames, reasonable consideration will be given (for example, local sites have flexibility based on minimum staffing needs).

It is suggested that Management consider exploring the following guidelines to assist in meeting minimum staffing to support the aforementioned:

- Per Diem pool
- Communicate availability of various training program options to supervisors
- Post RNP/PA positions now
- Create pool of retired RNP's/PA's who would be willing to work Part-Time or Per Diem.

20. Timekeeping

The parties have agreed to a timekeeping mechanism that incorporates an "Auto Lunch" for Registered Nurses in the bargaining unit. The Employer will implement an "Exception" timekeeping mechanism for Registered Nurse Practitioners and Physician Assistants covered by the CBA. During the term of this Agreement, the parties will jointly assess the feasibility of moving the Registered Nurses to an "Exception" timekeeping system.

21. Replacement Factor

Requests for time off submitted by a Health Care Professional who finds his/her own replacement for a shift, shall be granted by the Employer if the replacement Health Care Professional is fully qualified, working sufficient hours according to his/her employment status, not on premium hours, and has not made a previous commitment to the Employer to be scheduled for the shift. This letter is not intended for time off requests of more than three (3) consecutive scheduled work days.

22. Vacation Seniority - Fontana

At the Fontana facility, seniority for vacation scheduling will continue to be based on date of hire at the Fontana facility and its outlying medical office buildings.

23. Workload

The Employer and the Association agree to the following mechanism to address issues related to workload during the term of the Collective Bargaining Agreement:

a. The Association or the Employer may initiate a request, in writing, to convene a meeting between representatives of both parties. Such requests will outline the issues to be discussed relating to workload.

b. The party receiving such request will arrange for a meeting to discuss the issues within thirty (30) days of receipt of the request.

c. Each such meeting will be comprised of not more than three (3) Association Representatives (including both State and Local Affiliate Representatives) and three (3) Employer Representatives (including the Administrator or designee and the Local Human Resources Leader).

d. The parties at such meeting will be charged with resolving the issues. In the event a mutually acceptable agreement is not reached, the matter may be pursued at the second step of the Grievance Procedure, to include arbitration.

e. This mechanism is in no way intended to add to, delete from or to modify any provisions of the basic Collective Bargaining Agreement.

24. Joint Utilization Review

Six (6) months after an employee is hired into a Part-Time, per diem or irregularly scheduled Part-Time position, the Association may request a joint review to determine the utilization of such positions.

a) If an employee, over the six (6) month period, has been scheduled in a manner consistent with the definition of Part-Time, per diem or irregularly scheduled Part-Time, no change will occur.

b) If over a six month period of time an employee has worked in the same department, in a manner that is inconsistent with the original posting, the definition of the position, and/or without mitigating circumstances (such as vacation, LOA, sick leave replacement, or volume fluctuations), the parties will meet as requested by the Association to discuss the need to post the additional hours or an additional position.

Based on seniority, employees will have the option of claiming additional permanent Part-Time hours as they become available in the employee's job classification and department up to eight (8) hours per day and forty (40) hours per week. The awarding of additional hours will be done in the following order:

1. Part-Time
2. Irregularly Scheduled Part-Time
3. Per Diem

The posting and awarding of any additional positions resulting from this review will be done in accordance with the CBA.

25. Hard to Fill Days

Beginning with the 2006 vacation module process, the RN Committee and Management will develop a process to allow additional UNAC/UHCP Health Care Professionals the opportunity to apply for and be granted time off for the following "Hard to Fill Days".

a. Mother's Day
b. Father's Day
c. Valentine's Day
d. Halloween
e. Day After Thanksgiving

The RN Committee, with assistance from the unit based representatives will determine if the granting of the "hard to fill" days is by lottery system, rotation, seniority, or equitable distribution among the requesting Health Care Professionals. Requests for the "hard to fill" days will be submitted in conjunction with the annual vacation election process. The Health Care Professional's regular work schedule shall not be changed and there will be no additional compensation for working the "hard to fill" days. The process will be jointly reviewed on an annual basis by the RN Committee and management to evaluate if this provision has resulted in decreased sick calls or other last minute call offs on the designated "hard to fill" days.

26. Preceptor

The preceptor is an experienced and competent staff nurse who serves as a clinical role model and resource person to new hires and new graduates. The preceptor is an individual who is selected to work alongside an individual who is new to the field/specialty. The preceptor may be relieved of a caseload while precepting. The preceptor role extends beyond basic orientation. For example, an experienced Med/Surg RN who goes into a critical care program needs to be precepted for a period of time before working totally independent. New graduates also have preceptors who spend time with them. The preceptor orients new hires and new graduates to their roles and responsibilities on their assigned unit and introduces new staff to the formal and informal rules, customs, culture and norms of their co-workers and workplace. The primary role of the preceptors are as follows:

- Staff Nurse Role Model – by example
- Assist new hire or new graduate into workgroup

- Insures the individual is exposed to all aspects of the job and gains the necessary experience; assists in the evaluation of learning needs and implements learning plans, and provides input regarding the job performance. It should be noted however, that the preceptor is not responsible for developing the learning plan, nor is the RN the sole evaluator of the learning performance.

27. Time Off Requests and Processes

Each department shall identify an individual responsible for processing time off requests, and collect data on approvals and denials. This data shall be presented quarterly to the RN Committee.

All denials shall be automatically reviewed by the manager and the employee shall receive a response within ten (10) calendar days from the original request date.

28. RNP/PA Dual Postings

RNP/PA positions shall be posted with both classifications in all areas, except in those facilities where the PA's are not represented by UNAC/UHCP.

29. Registered Nurse National Certification Recognition

The Association and Employer will meet and jointly identify the National Certifications that will qualify a Registered Nurse for a "Recognition Payment". Upon obtaining an agreed upon National Certification, Registered Nurses will receive a $500 "Recognition Payment". This provision also applies to Registered Nurses who currently have one of the agreed upon Certifications. Registered Nurses that recertify following the initial "Recognition Payment" will receive a "Recertification Payment" of $250. "Recognition Payments" and "Recertification Payments" are limited to one (1) National Certification per Registered Nurse.

Per Diem Registered Nurses working a minimum of one-thousand (1,000) hours in the twelve (12) month period prior to date of the certification are eligible to receive an initial recognition payment of $250.00, and a $125.00 recertification recognition payment pursuant to the terms and conditions applied to Full-Time and Part-Time Registered Nurses.

30. RN/PHN

A Registered Nurse working in Home Health who obtains a PHN will be reclassified as a PHN. Registered Nurses currently working in Home Health who have already obtained a PHN will be reclassified effective May 4, 2006.

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National Agreement

KAISER PERMANENTE

THE COALITION OF KAISER PERMANENTE UNIONS

October 1, 2005

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SECTION 2: Wages and Benefits

EXHIBITS

NATIONAL AGREEMENT

This National Agreement (the Agreement) is entered into this first day of October, 2005 by and between the labor organizations participating in the Coalition of Kaiser Permanente Unions (the Coalition) and the organizations participating in the Kaiser Permanente Medical Care Program (the Program), including Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals (KFHP/H) and the Permanente Medical Groups (collectively Kaiser Permanente or Employers, or individually, Employer), which are signatories hereto.

INTRODUCTION

In 1997, the Coalition and Kaiser Permanente entered into a National Labor Management Partnership Agreement. By involving employees and unions in organizational decision-making at every level, the Partnership is designed to improve the quality of health care, make Kaiser Permanente a better place to work, enhance Kaiser Permanente's competitive performance, provide employees with employment and income security, and expand Kaiser Permanente's membership. The cornerstone of the Partnership is an innovative labor management relationship. In that spirit, the parties decided to embark on a voyage—one that had never been attempted—to collectively and simultaneously bargain thirty-three Partnership union contracts.

In 2000, the Common Issues Committee (CIC), made up of union and management representatives from across the country, successfully negotiated a five year National Agreement covering thirty three bargaining units. In 2005, the parties formed a new CIC to bargain this successor Agreement, covering forty-four bargaining units. To inform their work, the CIC chartered nine Bargaining Task Groups (BTGs) in April of 2005. These nine groups were made up of approximately four hundred management and union representatives from across the Program.

The 2005 BTGs were charged with reviewing the BTG recommendations from 2000 and making comprehensive, long-term recommendations in the areas of Attendance, Benefits, Human Resources Information Systems (HRIS) Process Consistency, Performance-Based Pay, Performance Improvement, Service Quality, Scope of Practice, Workforce Development and Work-Life Balance, to make Kaiser Permanente the best place to work and the best place to receive care. Over the course of several months, the BTGs developed comprehensive solutions for transforming the work environment. They reported their solutions to the members of the CIC in late June.

Each of the BTGs gave more definition and specificity to the Partnership path. Each expressed a high degree of confidence in the Labor Management Partnership and the potential found within the vision of the Partnership. They identified the need to further integrate the Labor Management Partnership into the way Kaiser Permanente does business.

The CIC then undertook the challenge of reviewing and synthesizing the comprehensive and detailed work of the BTGs. Their charge was to determine how best to distill the work of

the groups into the Agreement, and at the same time ensure that the work of the groups is carried forward into the future.

The Pathways to Partnership was developed in 1998 to provide a roadmap for making a transition to an environment characterized by collaboration, inclusion and mutual trust. Within the framework of the Pathways to Partnership, this Agreement continues to set forth new ways to work and new ways to provide care. It enables each person to engage her/his full range of skills, experiences, and abilities to continually improve service, patient care and performance. The Agreement describes an organization in which unions and employees are integrated into planning and decision-making forums at all levels, including budget, operations, strategic initiatives, quality processes, and staffing. In this vision, decisions are jointly made by unit based work teams (Unit Based Teams) — giving people who provide the care and service the ability to decide how the work can best be performed. The parties look forward to a time when all eligible employees participate in the Partnership and are covered by this Agreement.

The Labor Management Partnership is supported through the engagement of regional and local partnership teams. In some instances, this document provides specific timeframes required to assure progress toward Partnership goals. The Agreement promotes nationwide consistency by determining wages, benefits, and certain other terms and conditions of employment. It is a blueprint for making Kaiser Permanente the Employer and care provider of choice.

Section 1 of this Agreement covers the privileges and obligations, reflects the continued commitment of the parties, and integrates the work of the BTGs into the Partnership. Specifically, the BTGs provided solutions for improving Performance, Quality of Service and Attendance. They identified the systems needed to support high performance through Education and Training, Workforce Development and Planning, and Staffing, Backfill and Capacity Building. Lastly, they captured the work environment elements needed to provide for Patient Safety, Workplace Safety, balance between work life and personal life and collaborative examination of Scope of Practice issues. Section 1 provides mechanisms for spreading partnership, collaboration, and organizational transformation throughout our organization. It defines how workers and managers engage in all the areas identified by the BTGs. Section 1 also covers areas such as union security, Partnership governance, and problem solving processes and elaborates on other privileges and obligations of Partnership.

Section 2 identifies the specific provisions of the Agreement which pertain to compensation, benefits and dispute procedures.

Section 3 describes the scope, application, and term of the Agreement.

This Agreement was created through an extraordinary collaboration with the input of hundreds of Kaiser Permanente employees at every level. The Agreement embodies the parties' collective vision for Kaiser Permanente. The language of this Agreement cannot begin to fully capture the energy and collective insights of the hundreds of people working long hours to establish this framework. As work units apply these principles, their commitment and expertise will make the vision a reality.

SECTION 1: PRIVILEGES AND OBLIGATIONS OF PARTNERSHIP

A. COMMITMENT TO PARTNERSHIP

The essence of the Labor Management Partnership is involvement and influence, pursuit of excellence, and accountability by all. The parties believe people take pride in their contributions, care about their jobs and each other, want to be involved in decisions about their work, and want to share in the success of their efforts. Market-leading organizational performance can only be achieved when everyone places an emphasis on benefiting all of Kaiser Permanente. There is an indisputable correlation between business success and success for people. Employees throughout the organization must have the opportunity to make decisions and take actions to improve performance and better address patient needs. This means that employees must have the skills, knowledge, information, opportunity, and authority to make sound decisions and perform effectively. Engaged and involved employees will be highly committed to their work and contribute fully.

By creating an atmosphere of mutual trust and respect, recognizing each person's expertise and knowledge, and providing training and education to expand those capabilities, the common goals of organizational and individual success and a secure, challenging, and personally rewarding work environment can be attained. With this Agreement, the parties will continue to invest in and support a wide array of activities designed to increase individual employee skills training, learning opportunities, and growth and development.

Section 1 presents an integrated approach to Service Quality, Performance Improvement, Workforce Development, Education and Training, and creation of an environment responsive to organizational, employee and union interests. In addition, it provides a process to solve problems as close to the point at which they arise as possible, respecting the interests of all parties. The Partnership Agreement Review Process in Section 1.L.2. applies to disputes arising out of Section 1, but is meant to be used as a last resort.

With this Agreement, the Coalition and Kaiser Permanente assume a set of privileges and obligations. These include, but are not limited to, employment and income security, union security, access to information including the responsibility to maintain confidentiality concerning sensitive information, participation in the governance structure, and participation in performance sharing plans.

In addition, there is a joint commitment to identify, and by mutual agreement, incorporate our own successful practices and those of other high performance organizations into each facility. The parties will work diligently to increase and enhance flexibility in work scheduling and work assignments to enhance service, quality and financial performance, while meeting the interests of employees and their unions. We share a willingness to work in good faith to resolve jurisdictional issues in order to increase work team flexibility and performance, and we share a commitment to marketing Kaiser Permanente as the Employer and care provider of choice.

B. PARTNERSHIP GOVERNANCE AND STRUCTURE

The National Labor Management Partnership Agreement describes the vision of a work place environment where diversity of opinion is valued and all stakeholders share a voice in decisions that affect them and their work. The vision of this Partnership is an integrated structure, where the unions and their members are part of the decision making forums. In 2000, it was recognized that prior to reaching this vision, parallel structures needed to be implemented in order to organize, plan and implement the partnership principles. These structures were meant to be steps toward integration that would change as the Partnership evolved. Indeed, the 2005 National Agreement takes substantive steps toward this integration.

1. PARTNERSHIP STRUCTURES

a. Integration

A variety of Partnership structures exist at the national, regional, service area, facility, department and/or work unit levels. In addition, there are various business structures which attempt to solve the same problem or achieve like goals. Partnership should become the way business is conducted at Kaiser Permanente. In order to achieve this goal, these parallel Labor Management Partnership structures should be integrated into existing operational structures of the organization at every level. This would result in dissolution of parallel labor management committees that are redundant with ongoing business committees (e.g., department meetings, project teams, planning committees). Parallel structures may still be required where there is no existing function, where existing structures are not adequate for a particular function, initiative, or area of focus, or where they are necessary because of legal or regulatory requirements. New initiatives should include labor participation from their inception.

Integration of labor into the normal business structures of the organization does not mean co-management, but rather full participation in the decision-making forums and processes at every level of the organization as described on pages 14-16 of the Labor Management Partnership Vision: Reaffirmation, and subject only to the capacity of the unions to fully engage and contribute. The parties will work together to ensure that union capacity issues are adequately addressed. The integration process for regional structures should begin immediately and should be completed by January 2008.

b. Unit Based Teams

Engaging employees in the design and implementation of their work creates a healthy work environment and builds commitment to superior organizational performance. Successful engagement begins with appropriate structures and processes for Partnership interaction to take place. It requires the sponsorship, commitment and accountability of labor, management, and medical and dental group leadership to communicate to stakeholders that engagement in Partnership is not optional, but the way that Kaiser Permanente does business.

The 2005 Attendance, Performance Improve-ment, Performance-Based Pay, Service Quality, and Workforce Development BTGs recommended the establishment of teams

based in work units as a core mechanism for advancing Partnership as the way business is conducted at Kaiser Permanente, and for improving organizational performance. A Unit Based Team includes all of the participants within the boundaries of the work unit, including supervisors, stewards, providers, and employees.

Members of a Unit Based Team will participate in:

- *planning and designing work processes;*
- *setting goals and establishing metrics;*
- *reviewing and evaluating aggregate team performance;*
- *budgeting, staffing and scheduling decisions; and*
- *proactively identifying problems and resolving issues.*

The teams will need information and support, including:

- *open sharing of business information;*
- *timely performance data;*
- *department specific training;*
- *thorough understanding of how unions operate;*
- *meeting skills and facilitation; and*
- *release time and backfill.*

Senior leadership of KFHP/H, medical and dental groups, and unions in each region will agree on a shared vision of the process for establishing teams, the methods for holding teams and leaders accountable, and the tools and resources necessary to support the teams.

Implementation of Unit Based Teams should be phased, beginning with Labor Management Partnership readiness education and training of targeted work units, providing supervisors and stewards with the knowledge and tools to begin the team building work. It is expected that Unit Based Teams will be fully deployed as the operating model for Kaiser Permanente by 2010, in accordance with the timeline set forth in the 2005 Performance Improvement BTG report page 7 (attached as Exhibit 1.B.1.b.).

Stewards and supervisors play a critical role in high performance partnership organizations. Where work is organized and performed by Unit Based Teams, the roles are substantially different from those of traditional work situations. References to supervisors in this Agreement refer to management representatives.

In Unit Based Teams, supervisors will continue to play a crucial role in providing leadership and support to front line workers. The role should evolve from directing the workforce to coaching, facilitating, supporting, representing management through interest-based procedures and ensuring that a more involved and engaged workforce is provided with the necessary systems, materials and resources. The role of stewards should evolve into one of work unit leadership, problem solving, participating in the

organization and design of the work processes, and representing co-workers through interest-based procedures.

A description of the roles, as envisioned in the Pathways to Partnership, can be found in the Work Unit Level Sponsorship and Accountability section of the 2003-2005 Labor Management Partnership Implementation Plan and the 2004 Think Outside The Box Toolkit.

2. GOVERNING BODIES

The governing body for the Labor Management Partnership is the Labor Management Partnership Strategy Group (the Strategy Group) which currently comprises the Regional Presidents, a subset of the KFHP/H National Leadership Team, representatives from the Permanente Medical Groups, the Permanente Federation, the Office of Labor Management Partnership (OLMP) and the Coalition. The parties acknowledge that as integration progresses, governance structures may need to evolve accordingly.

The OLMP will provide administrative and operational support to the Strategy Group and support the implementation of the Partnership at all levels including:

- *management of the Labor Management Partnership Trust (the Partnership Trust) budget, as determined by the Strategy Group, including financial reports and fund transfers;*
- *establishment and coordination of joint education trusts;*
- *support to Labor Management Partnership communications;*
- *support for coordination and development of Workforce Planning and Development activities; and*
- *management and/or support for other initiatives and programs as assigned.*

3. JOINT PARTNERSHIP TRUST

The Partnership Trust has been established for the purpose of funding labor management administration and Partnership activities. Kaiser Permanente will continue to contribute at its current rate, adjusted annually in accordance with general budget inflationary factors. Changes in the Employer's overall funding of Partnership expenses, including Partnership Trust contributions, training and education development, administration and technical and consulting support expenses necessary to implement/advance the Partnership, shall be at least proportional to employee contributions as described below. An amount equal to nine cents per hour per employee will continue to be contributed to the Partnership Trust throughout the term of this Agreement, using the current or jointly acceptable alternative methodologies. The purpose of the employee contribution is employee ownership of the Partnership, sponsorship of increased union capacity and shared ownership of outcomes and performance gains.

The Partnership Trust is overseen by the Strategy Group and is jointly administered. There will be up to six trustees consisting of equal numbers of union and management representatives from the Strategy Group. The trustees serve under the direction of the Strategy Group.

C. ORGANIZATIONAL PERFORMANCE

The 2005 BTGs, comprising approximately four hundred employees, managers, supervisors, physicians, dentists and union leaders, worked diligently to propose solutions in a range of areas of great interest to management, employees and their unions. This section is based on their vision and solutions in the areas of Attendance, Benefits, HRIS Process Consistency, Scope of Practice, Service Quality, Performance-Based Pay, Performance Improvement, Workforce Development, and Work-Life Balance. While not intended to represent all of the ideas, goals and direction indicated by these BTGs, it captures the fundamental elements necessary for making Kaiser Permanente the best place to work and the best place to receive care.

The parties are dedicated to working together to make Kaiser Permanente the recognized market leader in providing quality health care and service. This can be accomplished through creating a service culture, achieving performance goals, developing the Kaiser Permanente workforce, increasing employee satisfaction, promoting patient safety programs and focusing attention on employee health and work-life personal-life balance. The goal is to continually improve performance by investing in people and infrastructure, improving communication skills, fostering leadership, and supporting involvement in the community.

1. PERFORMANCE IMPROVEMENT

Kaiser Permanente and the Coalition are competing in a challenging market that is characterized by a limited workforce, changes in technology changes in clinical practice, cultural diversity, changing demographics, and high demand for quality service. The parties are committed to the enhancement of organizational performance so that working in Partnership is the way Kaiser Permanente does business. Under this Agreement, the parties will work together to:

- *develop and invest in people, including the development of and investment in managers, supervisors and union stewards;*
- *engage employees at all levels;*
- *align the systems and processes that support the achievement of organizational and Partnership goals;*
- *enhance the ability of Coalition unions to advance their social mission and the welfare of their members;*
- *recognize and reduce parallel structures;*
- *ensure joint management-union accountability for performance;*
- *grow membership;*
- *redesign work processes to improve effectiveness, efficiency and work environment;*
- *develop and foster Unit Based Teams;*
- *share and establish expectations regarding broad adoption of successful practices in areas such as service, attendance, workplace safety, workforce development, cost structure reduction, scope of practice, and performance-based pay; and*

- *communicate with employees on an ongoing basis regarding performance goals and targets, as well as performance results at all levels of the organization.*

a. Successful Practices

Implementation of a comprehensive, web-based system for sharing and transferring successful practices will be a significant contribution to performance improvement.

This system will identify and capture successful practices and tool kits related to regional and Program-wide goals such as:

- *service,*
- *attendance,*
- *workplace safety,*
- *workforce development,*
- *cost structure reduction,*
- *scope of practice, and*
- *performance-based pay.*

By July 1, 2006, each region will inventory and submit to a designee in the OLMP the existing systems that are used to capture and share successful practices. By October 1, 2006, a national web-based system will be designed. By the end of 2006, the national web-based system will be populated with data and effective January 1, 2007, each region and national function, as appropriate, will begin to utilize the selected national successful practices system.

The National Operations Team will be responsible to:

- *act as the sponsor for the transfer of successful practices;*
- *identify at least two demonstrated successful practices annually and recommend to the Strategy Group that they be implemented Program-wide;*
- *coordinate with regional and national function leadership to provide funding, incentives, education, support and tools;*
- *establish a video conference, ideally on a semi-annual basis, where each region shares a successful practice; and*
- *implement and maintain the system to ensure that successful practices are, in fact, transferred.*

Regions or facilities where business goals are not being met for a specific function will be accountable to adopt demonstrated successful practices specifically applicable to that function, in order to improve performance.

b. Flexibility

Kaiser Permanente and the Coalition are committed to enhancement of organizational performance by developing and investing in people and aligning the systems and processes that support the achievement of organizational and partnership goals. Further, the parties are committed to Kaiser Permanente becoming a high

performance organization and to the KP Promise and the Labor Management Partnership as a foundation for reaching this goal.

Market-driven change has created a challenging competitive situation that is characterized by a limited number of skilled workers and new entrants into the workforce, changes in technology, changes in clinical practice, cultural diversity, changing demographics and high demand for quality service. To become a high performance organization in this environment requires organizational change.

Becoming a high performance organization also requires a pledge from Partner unions and Kaiser Permanente to modify traditional approaches, to work diligently to enhance flexibility in labor contracts, to willingly explore alternative ways to apply seniority and to address jurisdictional issues in order to achieve organizational performance goals. It is expected that the parties will undertake this in a way that is consistent with the Partnership, while at the same time preserving the principles of seniority and union jurisdiction.

The following is minimally required to create an environment that balances Kaiser Permanente's need for flexibility in removing barriers to enhanced performance with Partner unions' need to honor seniority and jurisdiction. The goal is to create a climate based on trust that promotes achievement of Partnership outcomes and fosters an environment in which Kaiser Permanente, Partner unions, and employees effectively respond to and address issues at the local level. It is not the intent of the parties to undermine the principles of seniority and union jurisdiction or to reduce the overall level of union membership. Management is not looking for the right to make changes unilaterally to achieve greater flexibility, but expects the unions to work with them to address flexibility needs. The need for and desirability of joint decision making is acknowledged.

Management recognizes the unions' interest in a balanced approach which will not disadvantage one union relative to another and acknowledges that a broad, long-term perspective should be adopted.

Commitment to performance improvement through joint, continuing efforts to redesign business systems and work processes. This includes simplifying workflow, eliminating redundant or unnecessary tasks and coordinating workflow across boundaries. It also requires alignment with and implementation of the business strategy and the principles of the Labor Management Partnership.

Incorporation of labor management partnership principles in redesign efforts. These include:

- *involving affected employees and their unions in the process;*
- *assessing impact on employees;*
- *minimizing impact on other units due to bumping and other dislocation;*
- *providing fair opportunity for current employees to perform new work;*
- *re-training or re-deploying affected employees; and*
- *applying the principles of employment and income security.*

Creation of mutually agreeable local work design processes to address local conditions while ensuring high levels of quality, service, and financial performance. Flexibility will enhance management's ability to meet its employment security

obligations, just as flexibility will be enhanced by joint labor management influence over workplace practices. Principles to be observed include:

- *respect for seniority and union jurisdiction;*
- *flexibility for employees' personal needs; and*
- *flexibility in work scheduling, work assignments, and other workplace practices.*

Commitment of local labor management partners to exhibit creativity and trust to resolve difficult issues such as:

- *contractual and jurisdictional issues that are inconsistent with partnership principles and/or that are barriers to achievement of partnership goals;*
- *considering reciprocity of seniority between bargaining units to facilitate employee development and performance improvement;*
- *enhancing employee mobility across regions and partner unions and into promotional opportunities;*
- *cross training staff across job classifications and union jurisdictional lines where it makes operational or business sense or where union and employee's interests are accommodated;*
- *enabling team members to perform operational functions across boundaries (job classification, department and/or union jurisdiction) within their scope of practice and licensure to serve members/patients; and*
- *utilizing a joint process to resolve issues of skill mix, classification, and the application of the provisions of the National Employment and Income Security Agreement.*

Mechanisms for flexibility include, but are not limited to:

- *expanding skills of staff;*
- *developing innovative and flexible scheduling and work assignments to balance staffing and workload;*
- *alternative work assignments and schedules to accommodate variations in staff workload;*
- *shifting tasks to accommodate periods of peak demand;*
- *temporary assignments to other work;*
- *using supply-demand management tools to anticipate staffing needs; and*
- *other innovative employment options such as seasonal employment and job sharing.*

In applying the principles of the Partnership, local labor management partners may create a variety of joint agreements or practices to enhance organizational performance and to accommodate employee interests. In order to encourage creativity and joint risk taking, such agreements will be non-precedent setting and not apply to other units, departments, medical centers, or service areas. However, sharing and adoption of successful practices is highly encouraged.

2. SERVICE QUALITY

Kaiser Permanente and the Coalition are dedicated to working together to make Kaiser Permanente the recognized leader in superior service to each other, to our members, and to purchasers, contracted providers and vendors. In order to become the recognized leader in superior service, the parties agree to pursue a Labor Management Partnership strategy in which every region will have a plan to implement the following critical elements of service quality.

a. Leadership Commitment and Service Behavior

Labor integration. Labor, management, physician and dental leaders will assume a leadership role in the design and implementation of the service promise or credo. In the first year of implementation, the Strategy Group, working with the KPPG subgroup on service, will lead the design and implementation of a curriculum and a communication plan to advance the service promise or credo at all levels of the organization. The curriculum will include the key concepts needed to support the development of a service culture, including the critical element of service recovery.

Working in partnership, labor and management will be accountable for creating a service culture at the facility, department and work unit levels. Partner union representatives will be integrated into planning, development and implementation of a service culture. Union partners will be integrated into any new or ongoing service initiatives or committees that manage service programs at the national, regional or local levels.

A service culture can best be achieved by utilizing Unit Based Teams. High member, employee and provider satisfaction will result from well-trained teams that are empowered and supported to meet or exceed service expectations. Key components for achieving high service quality performance by Unit Based Teams include employee involvement in point-of-service decision making, systems that support the team in the delivery of superior service, orientation and training, accountability and an organizational commitment to service quality.

Accountability. Individuals, teams and leaders are accountable for service quality at Kaiser Permanente. All members of a team own their individual service behavior, as well as the service provided by their team. Leadership is accountable for supporting individuals and teams in building and maintaining a service culture, and implementing the critical elements of the service plan. Accountability will be enhanced by establishing and monitoring service quality metrics.

Resources. National and regional leadership will designate funding sources for service quality improvement, including development of defined service budgets, which are jointly planned and reviewed by management, labor, physicians and dentists.

b. Systems and Processes

Alignment. To make Kaiser Permanente the recognized leader in superior service, organizational systems and processes must be aligned with that goal. The parties will evaluate, develop or improve systems that support employees and departments in delivering superior service.

Recruitment and Hiring. In order to integrate a service focus into the organization's recruitment and hiring practices, the parties agree that all job descriptions, performance evaluations and job competencies will include a jointly developed service component. All job postings will include language that emphasizes service skills.

Recognition and Reward. Recognition is a critical component in fostering and reinforcing a culture of service excellence. The parties will work to align service quality incentives throughout all levels of the organization with increased emphasis on service.

Metrics and Measurement. Service quality should be measured and given appropriate weight to reach and maintain superior service at all levels of the organization. The parties will develop a "Balanced Scorecard" measurement program, and strengthen customer satisfaction measurement tools.

Orientation and Training. A service training program will be designed, for regional delivery, to include a section on service recovery.

Service Recovery. Service recovery is a critical element of a service quality improvement strategy to prevent member terminations. Medical centers or departments will provide resources for implementation of consistent service recovery programs.

c. Environment

The physical and social environment affects service quality. The parties at the national and regional level will work to strengthen the involvement of union leaders and front line staff in the design of existing facility modification, template development and new construction.

3. ATTENDANCE

a. Philosophy

Optimal attendance is imperative to achieve superior customer service, employee satisfaction, efficiency, and quality of care for health plan members. Appropriate use of time off benefits, including sick leave when employees are injured or ill, is essential to employee well being and organizational performance. A healthy work environment and a committed workforce are critical success factors for achieving optimal attendance. Sick leave is not an entitlement, but a benefit, like insurance, to be utilized only when needed.

b. Sponsorship and Accountability

The parties share the goal of ensuring that attendance performance at Kaiser Permanente is in the forefront of high-performing health care organizations. In order to achieve optimal attendance, sponsorship must occur from the highest leadership levels within Kaiser Permanente and the Coalition. This includes:

- *National Leadership Team members;*
- *Regional Presidents;*
- *Regional Medical and Dental Directors; and*

• *local Union Leaders.*

Accountability for the attendance program will be integrated into the operational structures of management and the leadership of Coalition local unions. A chain of accountability for the attendance recommendations will be established that is clear at all levels of the respective organizations. Accountability includes clear expectation of roles and responsibilities as well as rewards and consequences, as appropriate, for performance and non-performance.

c. Time Off Benefit Enhancement

Labor and management have agreed to establish a new benefit design to improve attendance by providing economic incentives for appropriate use of sick leave, as well as flexible Personal Days. This benefit design includes three key components: flexible Personal Days; Annual Sick Leave; and Banked Sick Leave. This benefit does not affect vacation, and does not apply to employees covered by ETO/PTO plans.

Flexible Personal Days. Each local collective bargaining agreement may designate from two (2) to five (5) flexible personal paid days off (Personal Days) that employees may use for personal needs in increments of not less than two (2) hours.

Currently existing Work-Life Balance days, floating holidays, birthday holidays or personal days contained in local agreements may be designated as Personal Days. In addition, sick leave days may be converted to Personal Days by mutual agreement, provided that the total number of Personal Days, (including floating holidays or the equivalent) does not exceed five (5) days. The designation/conversion of the above to Personal Days will only occur in local bargaining.

Requests for a single Personal Day off, or for hours within a single shift, shall be granted upon receipt of at least two (2) weeks' notice. Last minute notice is acceptable for personal emergencies.

Requests with less than two weeks' notice, requests for consecutive days off, for days before or after a holiday, or for other days designated by mutual agreement, will be reviewed and approved or denied on a case-by-case basis in order to meet core staffing needs. Denials will be tracked and compiled, by department, on a quarterly basis.

All unused Personal Days will be converted at 50% of value to cash at the end of each year.

Personal Days may not be cashed out upon resignation or termination; however, upon retirement Personal Days may be cashed out at 50% of value. For the purposes of this Section 1.C.3., retirement means that the employee has retired from the organization pursuant to the terms of a qualified Kaiser Permanente retirement plan.

These provisions will not supersede local collective bargaining agreements with superior conditions regarding notice requirements, granting of requests, or cash out provisions.

Sick Leave Benefit. There are two types of sick leave benefits. Annual Sick Leave is the sick leave days credited each year to each employee in accordance with the provisions of the local collective bargaining agreements. Banked Sick Leave is previously accumulated unused sick leave to which unused Annual Sick Leave may be added at the end of each calendar year.

Annual Sick Leave. Employees will be credited with their entire annual allotment of sick leave days provided in the local collective bargaining agreements on January 1 of each calendar year following implementation of this plan. In 2006, the current sick leave accrual system will remain in place until such time as the new attendance system is implemented in the region. Employees who commence employment after January 1 will receive a pro-rated allocation. At the end of each calendar year, 100% of unused Annual Sick Leave days may be credited to Banked Sick Leave at 100% of value.

Special Note for Part-time Employees. Part-time employees' Annual Sick Leave will be credited proportionately, based on scheduled hours. Throughout the year (no more frequently than quarterly) the credited Annual Sick Leave will be adjusted based on actual compensated hours. This will ensure that employees who work, on average, more hours than they are scheduled, will receive proper Annual Sick Leave credit.

Banked Sick Leave. Banked Sick Leave is made up of accumulated unused sick leave with no limit on the amount that may be accumulated, regardless of limitations on accumulation that may be contained in local collective bargaining agreements. Existing accumulated sick leave balances for all employees will be credited to Banked Sick Leave upon implementation of this program.

Banked Sick Leave may only be used following exhaustion of Annual Sick Leave, or for statutory leaves (e.g., CESLA, FMLA, OFLA, Workers Compensation, etc.), or when the employee is hospitalized. Medical verification may be required for use of Banked Sick Leave. Banked Sick Leave accrued after December 31, 2005 will be used following exhaustion of any Banked Sick Leave accrued prior to January 1, 2006.

Options for Unused Annual Sick Leave. At the end of each year beginning with 2006, employees who meet the eligibility requirements set forth below, may:

- *convert unused Annual Sick Leave days (up to ten days) to cash at 50% of value; or*
- *credit unused days to Banked Sick Leave at 100% of value.*

Employees may select either option, or a combination of the two.

Conversion of Unused Annual Sick Leave. During each year of the program, including 2006, employees in each region will be eligible to cash out unused sick leave as described below.

At the end of each year, employees with at least ten days of Banked Sick Leave (or the proportional equivalent for part-time employees) may cash out up to ten (10) days of unused Annual Sick Leave, at 50% of value. Employees with fewer than ten (10) days of Banked Sick Leave must first apply unused Annual Sick Leave toward reaching a minimum balance of ten (10) days (or the proportional equivalent) of Banked Sick Leave. Once that minimum balance is reached, additional unused Annual Sick Leave may be cashed out, up to a maximum of ten (10) days, at 50% of value.

> Example 1: an employee has no Banked Sick Leave and twelve (12) days unused Annual Sick Leave at the end of the year. Ten (10) days must be credited to Banked Sick Leave and two (2) days may be cashed out at 50% of value.
>
> Example 2: an employee has five (5) days Banked Sick Leave, and twelve (12) days unused Annual Sick Leave at the end of the year. Five (5) days

must be credited to Banked Sick Leave and seven (7) days may be cashed out at 50% of value.

Example 3: an employee has twenty (20) days Banked Sick Leave and twelve (12) days unused Annual Sick Leave at the end of the year. Ten (10) days may be cashed out and two (2) days will be credited to Banked Sick Leave; or, all twelve (12) days unused Annual Sick Leave may be credited to Banked Sick Leave.

All unused Annual Sick Leave days which are not converted to cash will be automatically credited to Banked Sick Leave at 100% of value.

Retirement Conversion. Upon retirement, Banked Sick Leave accrued prior to January 1, 2006 will be recognized as credited service for pension purposes (*excluding Taft-Hartley plans*). Banked Sick Leave accrued after December 31, 2005 will be converted to vacation and paid out at 50% of value and will also be recognized as credited service for pension plan calculation purposes.

d. Implementation

Southern California will implement the Attendance Program, including the Time Off Benefit Enhancement, no later than January 1, 2006, with other regions implementing throughout the course of 2006 in accordance with a schedule developed under the direction of the Strategy Group. The parties agree that the benefit structure becomes effective as of January 1, 2006. Accordingly, eligible employees who retire after that date, but before implementation is completed in their region, will be entitled to the entire annual allotment of Annual Sick Leave/Personal Days and the retirement conversion, as described above.

The National Attendance Committee will develop detailed timelines for initial and long-term implementation of the attendance program with identified goals, and performance expectations. The Committee will define the kinds of data needed and the methods to be used, collect the necessary data and provide reporting that is consistent across Regions. The Committee will also establish a framework that defines the level of attendance performance at which an attendance review is triggered. The 2005 Attendance BTG report will guide the work of the Committee.

e. Integrated Disability Management

A comprehensive integrated disability management program for long term leave that provides a rapid return to work for employees, will be jointly developed. This program will include the current focus on disabilities and Workers Compensation and extend to chronic and recurrent sick leave and non-occupational injuries, illnesses or disabilities, whether or not they are covered under FMLA or other protected leave. This program is further described in Section 1.J., Workplace Safety.

f. Attendance Intervention Model

The intervention model developed by the OLMP will be utilized to provide expertise and tools that can assist departments or units with poor attendance to discover and

understand root causes and develop solutions in partnership that will improve attendance.

The National Attendance Committee will:

- *modify the intervention model based on experience to date and successful practices;*
- *develop a tool kit for use by the regions or national functions;*
- *develop and offer training to regional or national personnel for intervention skills and use of the tool kit; and*
- *provide consulting and back-up services to the regions or national functions.*

Each region or national function will:

- *fund and develop resources for intervening in units with attendance issues;*
- *establish intervention teams with administrative support by June 30, 2006; and*
- *determine the number of teams needed based on the number of units requiring intervention.*

g. Staffing and Backfill (Planned Replacement)

The success of the Attendance program depends on a number of key elements, all of which are essential. This includes adequate staffing, planned replacement and commitment to providing appropriate time off when requested. Section 1.F, Staffing, Backfill, Budgeting and Capacity Building, provides the details regarding these obligations.

4. SCOPE OF PRACTICE

The people of Kaiser Permanente will work collaboratively in the Labor Management Partnership to address scope of practice issues in a way that ensures compliance with laws and regulations, while valuing the strengths, contributions and employment experience of all members of the health care team. The parties agree to work in Partnership to promote knowledge and understanding of scope of practice issues, proactively influence scope of practice laws and regulations as appropriate, create a safe environment to address scope of practice issues in a non-punitive manner, and provide opportunities and resources for all employees to advance personally and professionally in order to take advantage of full scope of practice in accordance with certification and/or licensure.

To the extent possible, to achieve these objectives, union representatives should be fully integrated into national, regional and local scope of practice decision making structures within Kaiser Permanente as outlined in the 2005 Scope of Practice BTG report, pages 14-17 (attached as Exhibit 1.C.4.(1)). Where disagreements arise regarding the legal scope of practice of employees covered under this Agreement, the Issue Resolution process in Section 1 may be utilized on an expedited basis. If such a disagreement is not fully resolved through an expedited Issue Resolution process, management, acting in good faith, will apply

relevant law and regulatory requirements and reserves the right to make a final determination to ensure compliance with laws and regulations.

Scope of Practice education and training programs will be developed and communicated broadly throughout the organization. The Strategy Group, working together with the National Compliance, Ethics & Integrity Office, will be accountable for the implementation of these provisions. Guidance for education and training programs and timelines for implementation are provided on pages 9, 10 and 11 of the 2005 Scope of Practice BTG report (attached as Exhibit 1.C.4(2)).

5. JOINT MARKETING

The Coalition unions and Kaiser Permanente acknowledge the untapped opportunities for membership growth among union affiliated workers. In the 1997 Labor Management Partnership agreement, the unions and management committed to work together to "expand Kaiser Permanente's membership in current and new markets, *including designation as a* provider of choice for all labor organizations in the areas we serve."

The parties reaffirm their commitment to market Kaiser Permanente to new and existing union groups and to establish the necessary strategic and policy oversight, as well as appropriate funding, to ensure the joint Labor Management Partnership marketing effort becomes a successful sustainable model, resulting in increased enrollment in Kaiser *Foundation Health Plan. The Coalition and its affiliated unions,* acting in the interest of and in support of the Partnership, will use their influence, to the greatest extent possible to assure that unionized Employers, union health and welfare trusts and Taft-Hartley trusts operating in, or providing benefits to union members in areas served by Kaiser Permanente, offer Kaiser Foundation Health Plan. National oversight and sponsorship of the joint marketing effort will be provided by the Strategy Group. The foundation of the joint marketing efforts will require organizational alignment, integration (e.g., participating in the regional rate-setting process), and coordination between the Coalition and departments engaged in promoting Kaiser Permanente at the regional level.

The parties have developed Joint Labor Management Partnership Marketing Program recommendations. These recommendations identify the need for:

- *consistent data collection;*
- *education programs;*
- *communication strategies and tools;*
- *mechanisms to measure outcomes and progress; and*
- *a joint structure, including the long term vision of integration, to accomplish these goals.*

A Joint Labor Management Partnership Marketing Action Plan will be submitted annually to the Strategy Group for approval and implementation. The Action Plan should be based on the Labor Management Partnership Joint Marketing Program recommendations, and should identify the annual goals and objectives, resources, responsibilities, accountabilities and outcomes for the following year.

d. Facility Workforce Development Teams (Facility Teams)

Facility Teams will be established, where appropriate. These teams will assess needs and barriers to training and report findings to the Regional Team.

3. JOINT WORKFORCE DEVELOPMENT

Workforce development is one of the highest priorities of Kaiser Permanente and the Coalition. The success of the organization and the Partner unions is attributed to the work, skill and education of Kaiser Permanente employees. In order to adapt to the rapidly changing healthcare environment, there is a need to invest even more fully in partnerships, people and new technologies, while continuing to provide the highest quality of care and service to health plan members.

The Coalition and management agree that a comprehensive workforce development program will be jointly developed and implemented. The goal is to create a culture that values and invests in lifelong learning and enhanced career opportunities. The joint efforts will also result in the development of infrastructure and tools to realize the full intent of the Employment and Income Security Agreement. By achieving these goals, employee retention and satisfaction will be increased, hard-to-fill vacancies filled, quality and service improved and the Labor Management Partnership strengthened.

Significant investments are being made in workforce development programs and activities. In order to be successful, these programs and activities require organizational alignment, integration, coordination and efficient use of resources. The parties will assess the effectiveness of these activities and determine how to improve the overall program, including determining the appropriate yearly level of resources and investments.

The four key components to this work are Workforce Planning, Career Development, Education and Training, and Retention and Recruitment.

a. Workforce Planning

As Kaiser Permanente and the Coalition plan for the workforce of today and tomorrow, it is necessary to develop a set of ongoing processes that determine current workforce skill levels, current and future workforce needs and formulate a strategy to assure alignment. The parties agree that successful Workforce Planning must include a commitment to internal promotions in the filling of vacancies. Therefore, existing policies, practices and contract language will be jointly reviewed and new policies developed to support internal promotions including: the harvesting of vacancies, development of redeployment processes, studies to determine the feasibility of in-sourcing career counseling services/functions that are currently performed by external providers and new incentives for managers to promote from within.

b. Career Development

In order to provide employees with opportunities for personal and professional development and provide the necessary resources to achieve their career goals, the Coalition and management agree that Career Counseling services will be made available in each region or national function to offer skills and interest assessments, individual and group career counseling and the development of individual employee

development plans. In addition, a comprehensive infrastructure, including career ladders, career pathways mapping, occupational index tools, a career website, pipeline tracking database system and project management support will be established. The National Team will be accountable for oversight and coordination with the regional and functional teams to ensure that the Career Counseling infrastructure is developed and deployed.

c. Education and Training

The workforce development education and training objectives are to:

- *prepare individuals to engage in learning processes and skills training;*
- *support employees in meeting their professional and continuing educational needs;*
- *train professional and technical employees for specialty classifications;*
- *provide education and training in new careers and career upgrades;*
- *support employees in adapting to technological changes; and*
- *ensure alignment with the needs of the organization.*

The parties recognize the need to raise awareness of the availability of tuition reimbursement opportunities. By April 2006, each Regional Team will complete a study to determine the current utilization of tuition reimbursement, education leave (including Continuing Education Units) and other allocated budgeted resources. The teams should then determine how to remove barriers to access, (e.g., degree requirements), and increase participation in these programs. This may require amendment of local collective bargaining agreements and/or policies. After the regional studies have been completed, the National Team, working with the Regional Teams, will develop a communications strategy to raise the awareness levels in each region.

Tuition reimbursement may be used in conjunction with education leave by employees for courses to obtain or maintain licensure, degrees and certification. Tuition reimbursement dollars may also be used for basic skills programs (e.g., computer, basic math, second language and medical terminology courses).

d. Retention and Recruitment

A major priority is to reduce turnover by implementing appropriate solutions throughout the organization. The implementation of the following programs is expected to produce significant savings for the organization over the life of the Agreement through reduction in employee turnover.

Exit Interview. The National Team, working with Regional Teams, will develop an exit interview template that will be utilized to determine the reasons employees leave Kaiser Permanente or transfer from a particular work unit. The exit interview process will be analyzed by the designated steward(s) and supervisor(s) and reported to the National and Regional Teams on a quarterly basis.

Ambassador Program. Each Regional Team will develop an Ambassador Program where current employees volunteer to serve as ambassadors for recruitment activities and outreach events. The work plan should be completed by September 30, 2006 and implemented by March 31, 2007.

E. EDUCATION AND TRAINING

1. PRINCIPLES

In order to achieve the KP Promise, the vision of the Pathways to Partnership and enhanced organizational performance, a significant commitment must be made to the training and education of the workforce. Furthermore, most of the policies, commitments and plans described in this Agreement cannot be successfully accomplished without the committed efforts of Kaiser Permanente employees. Meaningful participation requires a high level of knowledge and understanding of the business of health care, the operations of Kaiser Permanente and the principles of the Labor Management Partnership. Therefore, the goal is a comprehensive, jointly-administered, integrated approach to education and training. There will be a joint design and oversight team that provides new and ongoing training programs to all appropriate staff, including evaluation of training effectiveness.

2. TYPES OF TRAINING

The 2005 BTGs identified a variety of educational requirements necessary to advance the Partnership, support the development of high performing, committed work teams, and enhance the growth, advancement and retention of employees, as described in the 2005 Workforce Development BTG report. Types and categories of training, grouped by funding source, include:

- Career Development (supported by national funding), for example, training current employees to:
  - *acquire basic skills and prerequisites for advancement;*
  - *fill new or hard to fill positions/technology changes; and*
  - *advance lifelong learning.*

- General Partnership and National Agreement training (funded through the Partnership Trust), for example:
  - *implementation of the National Agreement;*
  - *program development for Unit Based Teams;*
  - *application of the Flexibility provisions of this Agreement;*
  - *Partnership orientation and other Labor Management Partnership training; and*
  - *performance-sharing programs.*

- Key business strategies and initiatives (funded through operating budgets or local or national business initiatives), for example:
  - *attendance,*
  - *service,*

- *business education,*
- *Kaiser Foundation Health Plan product offerings,*
- *KP HealthConnect,*
- *employee health and wellness,*
- *scope of practice,*
- *benefits,*
- *regulatory compliance, and*
- *diversity.*

3. STEWARD EDUCATION, TRAINING AND DEVELOPMENT

The CIC agreed to support union steward training and education and recommended that stewards have time available each month to participate in training and development activities. The parties agree to support stewards in training and development such as:

- *education and training programs;*
- *Steward's Council;*
- *Labor Management Partnership Council;*
- *Partnership sponsored activities; and*
- *Partnership environment.*

Training programs for stewards may be developed in the following areas:

- *foundations of Unit Based Teams;*
- *improvement in Partnership principles;*
- *contract training on the National Agreement;*
- *fundamentals of Just Cause;*
- *leadership skills;*
- *effective problem solving; and*
- *consistency and practice.*

Labor and management will work jointly on steward development. Accountability will rest with senior operational and union leaders on the Labor Management Partnership Council (or equivalent) in each region.

4. INTEGRATED APPROACH TO EDUCATION AND TRAINING

There are common themes and elements of training that should become consistent across Kaiser Permanente. Sufficient resources will be committed, as specified in this Agreement and by the regions, to create and deliver training programs and to enable employees to take

advantage of those programs, supported by Planned Replacement where necessary. Integrated development of Program-wide training programs should provide efficiency, cost effectiveness, higher quality training and more consistent experience for employees across Kaiser Permanente.

The Strategy Group will be responsible for ensuring an integrated approach to education and training, which will jointly address initiatives and topics identified as priorities for the Program. Criteria for prioritization will be:

- *National Agreement implementation plans;*
- *organizational strategic objectives; and*
- *Partnership priorities.*

The parties will work jointly to develop an integrated education work plan and guidelines no later than May 30, 2006. Guidance for this work can be found in the education and training recommendations from the various 2005 BTG reports.

F. STAFFING, BACKFILL (PLANNED REPLACEMENT), BUDGETING AND CAPACITY BUILDING

1. PLANNED REPLACEMENT AND BUDGETING

Providing a work unit environment where quality of care and employee satisfaction are not compromised by fluctuations in staff is a crucial concern. The parties commit to resolving the complex issue of Staffing and Planned Replacement in a comprehensive manner. Planned Replacement means budgeted replacement time for employees' time away from their work unit, (e.g., to participate in training, Partnership activities, approved union work, or to take contractual time off, including unpaid leaves of absence). In addressing the issue of Planned Replacement, the objectives are to jointly define the circumstances in which Planned Replacement will occur, using the following criteria:

- *plan for and schedule replacement activities wherever possible, so that Planned Replacement objectives can be successfully achieved;*
- *provide Planned Replacement so employees are able to use leave benefits appropriately and take time off related to activities listed above;*
- *provide adequate staffing within the budget to cover the work operations and other work related requirements by creating a Planned Replacement line item at all budgeting levels;*
- *ensure forward-looking and realistic planning to anticipate and provide for future staffing needs;*
- *support the Attendance provisions of this Agreement;*
- *budget and plan realistically to provide for all components of legitimate time off from work and apply those budget components as intended; and*
- *accurately track time off requests and responses to provide managers and employees with transparent data on time off.*

The parties will conduct and complete a gap analysis (i.e., the difference between needed average amount of time off and current budget practice) for Planned Replacement in each region prior to the 2007 rate setting process. Planned Replacement will be incorporated into rate setting and budgeting processes for all departments beginning with the 2007 cycle. The parties will mutually agree on the phasing in of additional resources for Planned Replacement in 2006, and regional market conditions will be a factor in those considerations.

In departments where management and the unions agree that the budgetary process meets the objectives as outlined above, the process does not need to be modified. Those departments without an effective joint staffing, budgeting and planning process in place will observe the Joint Staffing provision below and incorporate the recommendations taken substantially from the 2005 Attendance BTG Report, Concept #3, pages 20–23 (attached as Exhibit 1.F.). Timing will be determined jointly at the regional level.

2. A JOINT STAFFING PROCESS

As unions and management continue to integrate Labor Management Partnership structures into existing operational structures, Partner unions will become more involved in business planning and resource allocation decisions. These decisions are intricately tied to the shaping of staffing plans and decisions to adjust resource allocations during budget cycles.

Therefore, the parties agree that throughout this integration process, they will implement joint staffing processes. This work will include jointly developed staffing plans that consider the following factors:

- *mutually acceptable numbers, mix and qualifications of staff in each work unit;*
- *planning for replacement needs;*
- *patient needs and acuity;*
- *technology;*
- *inpatient and outpatient volume;*
- *department/unit size;*
- *geography;*
- *standards of professional practice;*
- *experience and qualification of staff;*
- *staff mix;*
- *regulatory requirements;*
- *nature of services provided;*
- *availability of support resources;*
- *model of care;*
- *needs and acuity of the entire medical facility as well as specific department/unit;*
- *consideration and support for meals and breaks; and*
- *departmental/area budgets.*

Adherence to any and all guidelines promulgated by any reviewing or regulatory agency and any other applicable laws or regulations is mandatory. A staffing and budgeting model appears in the 2005 Attendance BTG Report, Concept #3, pages 20–23; (attached as Exhibit 1.F.). The joint staffing language in this Agreement, together with the model in the BTG report, should provide the framework for staffing discussions and decision-making.

3. CONTRACT SPECIALISTS

The ability to fully engage front-line workers in Partnership activities has been limited by a lack of union capacity. Stewards have had the difficult task of balancing their traditional representational duties related to the administration of collective bargaining agreements and engaging in Partnership activities. To empower stewards to fully assume their leadership roles in Partnership activities, the parties agree to the establishment of a new role, Employer-paid Contract Specialists. It is anticipated that this role will advance the Partnership by:

- *allowing stewards more time to focus on Partnership implementation at the facility and work unit level;*
- *building expertise and promoting consistency in contract interpretation and implementation through Contract Specialists who partner with local HR Consultants; and*
- *building capacity through the development of many contract experts.*

Each Coalition bargaining unit will be allocated a minimum of one FTE Contract Specialist, or portion thereof, for every 1,500 bargaining unit employees. In each region, each International Union will apply the 1:1,500 ratio to its total membership to determine the number of Contract Specialists. The Contract Specialists will be appointed by the union, with Employer input, and will be directed by and accountable to the local union. Their duties will include, but not be limited to, contract interpretation and administration, contract education, guidance in grievance and problem resolution, improvement in shop steward capacity and consistent contract application. The Contract Specialist will partner with the Human Resources Consultant or equivalent. Normally, it is expected that Contract Specialists will serve a single, one-year, non-renewable term. The pay, benefits and conditions of the Contract Specialists will be in accordance with the standard Labor Management Partnership Lost Time Agreement.

Many unions currently have Employer-paid liaison positions. Management and the local union will collaborate and attempt to reach a consensus decision on converting current liaison positions into Contract Specialist positions. It is possible that a union may elect to maintain their current number of liaison positions in lieu of a Contract Specialist, or choose a combination of Contract Specialist and liaisons, or eliminate all liaison positions and replace them with Contract Specialists. In the event that a local union does not have a liaison, it may choose to select a liaison(s), instead of a Contract Specialist, at the ratio described above. Local unions will set policies for liaison and Contract Specialist positions such as term length (e.g., single one-year, non-renewable term, etc.). Local unions that currently have liaison positions exceeding the 1:1,500 ratio cited above will maintain their current FTE ratio.

Southern California will provide 13 FTE Contract Specialist/liaison positions, prorated by International Union, over and above current liaison level, in the first year of the Agreement. All regions will achieve the 1:1,500 ratio by the end of the second year of the Agreement.

G. HUMAN RESOURCE INFORMATION SYSTEM (HRIS) PROCESS CONSISTENCY

The HRIS Process Consistency BTG was formed from the Labor Relations sub-group of the Strategy Group. The BTG developed recommendations from the work of the HRIS Process Consistency Project Team (PCP Team) for reducing the current complexity of HRIS processes and policies across the organization in support of the implementation of the new PeopleSoft HRIS, and to increase the consistency of the employment experience.

The CIC adopted HRIS provisions regarding benefit eligibility and effective dates for Across-the-Board (ATB) increases and special adjustments, which are incorporated in Section 2 of this Agreement. The parties further agreed that longevity steps that are converted to differentials will be included in base pay for purposes of final average pay calculations when determining defined benefit pension benefits, and will be included when determining defined contribution percentages.

In addition, certain provisions were adopted that are to be incorporated into each local collective bargaining agreement, including consistency provisions relating to:

- *bereavement leave;*
- *jury duty;*
- *effective dates of step increases;*
- *longevity pay; and*
- *alternative compensation program terms.*

The Labor Relations Sub-Group will continue to work with the PCP Team during the term of the Agreement as issues are identified that the parties agree require changes to collective bargaining agreements.

H. WORK-LIFE BALANCE

Kaiser Permanente and the Coalition are committed to the health and well-being of employees and to work-life practices, programs and services that balance work and life cycle challenges. Employees who are supported in balancing their work and personal lives are more effective in their work, more productive as team members, and better able to deliver quality health care and service to members/patients. The organization's responsiveness to individuals' needs, both on and off the job, is a powerful predictor of productivity, job satisfaction, commitment and retention. Accordingly, Kaiser Permanente and the Coalition will work in Partnership to establish an infrastructure to support and manage work-life balance services.

1. STRUCTURE

The parties agree to create a Work-Life Balance (WLB) division of Human Resources, resulting from realignment of the current Employee Assistance Program (EAP) at all levels. This infrastructure will help ensure that the work-life balance services offered are consistent Program-wide, while fostering better communication about the availability of the services. The WLB division will include health promotion, employee assistance and referral services, and will enable the organization to offer more robust work-life balance services to employees that lead to cost savings, employee retention and increased employee satisfaction.

Resources for the WLB division at the national level will include, a director of WLB, a dedicated labor partner, a project manager, analytical staff and existing EAP resources. Additional resources will be identified at the regional and local level as needed to effectively support the WLB division and should be integrated with Unit Based Team infrastructure to the extent practical.

The Strategy Group will provide Program-wide oversight for the WLB division. Regional and local WLB Committees with management, union, physician, dentist and EAP representation will provide support to the division.

2. PROGRAMS AND SERVICES

Employee Health Care Management. Kaiser Permanente will offer an Employee Health Care Management Program to help employees manage their chronic diseases and other existing health issues. This program is further described in Section 2.B.3, Other Benefits.

Health promotion focuses on keeping people healthy. Kaiser Permanente will offer services to enable its employees to focus on prevention and Thrive by actively promoting a healthy and balanced lifestyle. To achieve this, local facilities will implement and coordinate health and wellness services aimed at improving the quality of work and personal life for all employees. Health promotion services and programs may include, but are not limited to, self-help classes, support groups, stress management, conflict management, and cultural sensitivity/awareness training.

Employee assistance services are intended to maximize employees' ability to cope and remain productive during stressful events and life crises. Such services should be sponsored nationally and implemented locally. They include work-life problem assistance, such as drug and alcohol assistance assessment and referral, short-term family counseling, and manager/union consultation services. Life crisis services include emergency financial aid and grief counseling.

Referral services provide a caring environment that is sensitive to the variety of employee needs. Company sponsored, arranged or subsidized services may be provided, including discounts for goods and services. This should benefit employees with minimal added cost. Examples include mass transit incentives, financial counseling services, concierge services, and computer discounts. Some of these services are provided currently through regional employee activity programs. Expansion of these services nationally may be evaluated by the Strategy Group during future years of the contract.

Donating days. The Partnership should create a mechanism for employees to voluntarily donate some earned time off, vacation, or life balance days to employees in need.

In addition, Kaiser Permanente will establish a recognition week celebrating the founders of Kaiser Permanente and a Memorial Day tribute to recognize and honor deceased employees on the Friday before Memorial Day.

3. MANDATORY OVERTIME AND ASSIGNMENTS

The parties' vision is to make Kaiser Permanente the best place to work, as well as the best place to receive care. Through the Partnership, unions, management and employees share responsibility, information and decision making, to improve the quality of care and service and enrich the work environment. The ability to rely on a stable schedule is fundamental not only to this equation, but to achieving balance between work life and personal life as well. As a result, the parties have committed to discontinue mandatory overtime practices, with the overall goal of avoiding the mandatory assignment of any unwanted work time. The "Mandatory Overtime - Principles and Tools" document agreed to by the parties is attached as Exhibit 1.H.3.

I. PATIENT SAFETY

Improving the quality of care delivered to members and patients requires significantly increasing the reporting of actual errors and "near misses." It is recognized that the reporting of such errors can only improve if employees are assured that punitive discipline is not seen as the appropriate choice to handle most errors. We must jointly create a learning environment which views errors as an opportunity for continued, systematic improvement. This environment must encourage all employees to openly report errors or near misses and participate in analyzing the reason for the error and the determination of the resolution and corrective action needed to prevent reoccurrence.

The reporting system will include the following components:

- *reporting of errors, with systematic, standardized analysis of errors and near misses;*
- *communication of learning to help make needed policy and procedure changes;*
- *confidentiality of involved employees unless prohibited by statute or law;*
- *involvement of staff in error analysis and/or resolution;*
- *positive reinforcement for reporting;*
- *training and education programs that enhance skills and competency to help prevent future errors;*
- *maintenance of the integrity of privileged information; and*
- *ability to collect and trend data across the organization.*

Information regarding errors reported through this system will be handled through the Issue Resolution/Corrective Action process of this Agreement and will not be used as the basis for discipline except in rare cases when punitive discipline is indicated, such as the employee:

- *was under the influence of drugs or alcohol;*
- *deliberately violated rules or regulations;*
- *specifically intended to cause harm; or*
- *engaged in particularly egregious negligence.*

Reporting through this system does not relieve the employee of the responsibility to complete an incident report when indicated by policy.

J. WORKPLACE SAFETY

Kaiser Permanente and the Coalition believe that an injury-free workplace should be the goal and responsibility of every physician, dentist, manager, union leader and employee, and an essential ingredient of high-quality, affordable patient care. Working in Partnership, we are establishing the health care industry standard by setting the goal of eliminating all causes of work-related injuries and illnesses, so as to create a workplace free of injuries.

1. CREATING A CULTURE OF SAFETY

In recognition of our goal of an injury free workplace for all Kaiser Permanente employees, physicians and dentists, the leaders of Kaiser Permanente and the Coalition have committed to continuing support for cultural change and the implementation of systems which are necessary to reach our goal.

Over the term of this Agreement, the parties agree to provide sponsorship and resources necessary for a broad and sustainable approach to Workplace Safety (WPS). The Principles of Partnership will be used to engage frontline staff and supervisors in implementing the remedies that will eliminate hazards that cause injuries. It is recognized that in creating an effective culture of safety, alignment among all contributing Kaiser Permanente departments must be achieved.

Kaiser Permanente's goal is zero injuries. In order to be successful, a culture of safety must be created in which safety is a core business, a personal value and prevention is more effective than injury management.

2. COMPREHENSIVE APPROACH TO SAFETY

Successful WPS efforts are comprehensive and require strong leadership from the health plans, hospitals, dental group, medical groups and unions. To that end, the parties commit to implement a comprehensive plan for each region that sets challenging goals, defines accountabilities and creates a supportive environment with active work unit engagement. The program requires that accountability for WPS be integrated into health plan, hospital and medical or dental group operations, business plans, performance metrics, budgets and

strategic planning efforts, and emphasizes the collective responsibility for WPS in each work unit.

In order to ensure successful implementation of the WPS program, the Employer and the unions agree to support training, partnership activities, and work team engagement related to WPS, in accordance with the Planned Replacement provisions of Section 1.F.1.

3. NATIONAL DATA SYSTEM

The parties will continue to develop and enhance the utilization of a national data system and structure that supports the needs of WPS teams, leadership and operations.

4. BLOODBORNE PATHOGENS

The parties will continue support of the National Sharps Safety Committee (NSSC), chartered by the Labor Management Partnership to pursue the goal of selecting and recommending the provision of the safest sharps safety devices. In the event of an issue or disagreement arising out of National Product Council actions regarding a recommendation from the NSSC, the appropriate Problem-Solving Processes under Section 1 of the Agreement may be utilized.

5. INTEGRATED DISABILITY MANAGEMENT

As part of a comprehensive approach to WPS, an Integrated Disability Management (IDM) program, appropriate for each region, will be implemented during the term of this agreement. IDM is defined as a comprehensive program that provides a rapid return-to-work for employees with occupational and non-occupational injuries, illnesses, or disabilities to best meet the needs of employees by improving and supporting overall workforce health, productivity and satisfaction while reducing costs for the Employer in lost time and productivity.

An integral part of a successful IDM program involves removing barriers for employees who are able to return to temporary, alternative or modified work after an injury, illness or disability. To that end, the Employer agrees to facilitate an employee's return to work by making every effort to liberalize work requirements, and the unions will work collaboratively with the Employer to identify temporary, available and appropriate work assignments for the affected employees. While in the IDM program, the affected employees may be placed into temporary work that may include assignments in another bargaining unit, as long as the assignment does not affect the process for filling vacancies and the work available for current employees in the workgroup. When assigning work to affected employees, the Employer will attempt to assign them to duties in their own bargaining unit before placing employees temporarily into another bargaining unit. Temporary assignments into different bargaining units should occur infrequently, and will require collaboration and coordination. In the event it is not possible to assign the employee duties within his/her own bargaining unit, the parties will jointly determine if temporary assignment within another bargaining unit is possible.

The affected employee may remain in a temporary assignment for up to ninety days. During this time, the employee's bargaining unit status will be maintained with all rights and

responsibilities. After ninety days, the parties will meet and must mutually agree to the extension of any such temporary work assignment as appropriate.

6. UNION INDEMNIFICATION

In consideration of full and active participation by the member organizations of the Coalition in the WPS program, and in recognition of the potential liability which might result solely from that participation, Kaiser Foundation Hospitals and Kaiser Foundation Health Plan, Inc. agree that they, or one of the subsidiary health plan organizations of Kaiser Foundation Health Plan, Inc., will indemnify Coalition unions and their officers and employees, and hold them harmless against any and all suits, claims, demands and liabilities arising from or relating to their participation in WPS with Kaiser Permanente.

K. UNION SECURITY

1. UNION LEAVES OF ABSENCE

In support of the Partnership relationship, upon request, the Employer will grant time off to employees for official union business as long as the number of employees absent for union business does not impose an unreasonable burden on the Employer and the Employer receives reasonable notice.

Union leaves will be defined according to the following.

Short Term Leaves are defined as leaves up to thirty days. Employees will continue to accrue seniority, service credit and benefits during the time of the absence, at the expense of the Employer. The impact of multiple short term leaves on the operations must be considered.

Long Term Leaves are defined as leaves of absence for more than thirty days and up to a maximum of one year. Such leaves will be granted by the Employer in increments of three months and shall be jointly reviewed, on a periodic basis, at the regional level. Seniority, service credit, credited service and health, dental, and life insurance benefits will continue during the leave as long as the union reimburses Kaiser Permanente for the associated costs.

Elected Official Leave. Any employee elected to a union office will be automatically granted a leave of absence for the duration of the term or three years, whichever is less. Employees must return to work after the completion of one term. Seniority, health, dental, and life insurance benefits will continue during this time, as long as the union reimburses Kaiser Permanente for the associated cost. Service credit and credited service will be applied for a maximum of two years, as long as the union reimburses the Employer for such costs. As provided in local agreements, leaves beyond one term may be granted, but will not include service credit.

Kaiser Permanente will pay employees for absences in order to participate in grievances, issue resolution meetings, Kaiser Permanente work committees and interest-based negotiations under Section 3.E. of this Agreement. Paying employees for participation in panel arbitrations will be the decision of senior union and management leaders in the region.

The Employer and the leaders of the Partner unions will work together to ensure reasonable notice and to minimize impact on service and care delivery associated with this provision.

2. CORPORATE TRANSACTIONS

The parties recognize that unions and Employers do not stand still. Unions merge with each other, or in some cases, split into smaller parts. Employers buy and sell operations, spin off business units, merge with other entities, or otherwise restructure their operations.

Through implementation of the Partnership principles embedded in this Agreement, the parties expect to establish open communication concerning business and organizational issues affecting their respective operations. The parties anticipate that in most instances through such communication and the Partner unions' ongoing involvement in Kaiser Permanente's business matters, the unions will be aware of business issues that may cause Kaiser Permanente to consider transactions such as those described above. In such circumstances, the parties contemplate that they will move to more formal discussions concerning such contemplated transactions as Kaiser Permanente's consideration of options proceeds. The parties intend that the Coalition and the affected Partner unions will be involved in such consideration in a manner consistent with Partnership principles and that the legal and contractual rights of the affected employees will be honored in any resultant transaction.

3. VOLUNTARY COPE CHECK-OFF

The Employer agrees to administer a voluntary check-off of employee contributions to Partner union political education and action funds, consistent with the Private Letter Ruling received from the IRS in 2001. The program includes the following provisions:

- *contributions to the political education and action funds are voluntary for employees;*
- *the union is responsible for obtaining check-off authorization from each employee who wishes to have a voluntary payroll deduction; and*
- *the union will reimburse Kaiser Permanente for the costs of administering the payroll deductions.*

4. SUBCONTRACTING

Consistent with current practice, management reserves the right to meet immediate day-to-day operational needs by contracting for services, for example, through registries, temporary services, etc.

The Parties reaffirm a Partnership presumption against the future subcontracting of bargaining unit work.

This section has been supplemented by the Memorandum of Understanding Regarding Sub-Contracting between Kaiser Foundation Health Plan/Hospitals, The Permanente Medical Groups and The Coalition of Kaiser Permanente Unions dated July 15, 2005 (attached as Exhibit 1.K.4.).

5. UNION REPRESENTATION OF NEW POSITIONS

Principles. The parties agree that Partner unions maintain strong fundamental interests in preserving the integrity of the bargaining units. The parties also agree that achieving the Labor Management Partnership's goals of making Kaiser Permanente the health care employer of choice in all of its markets and maximizing workforce engagement as a principle means of achieving success requires that all parties commit to maintaining and enhancing bargaining unit integrity. The parties further agree that it is not in the interest of either Kaiser Permanente or the Partner unions for jobs to be created or restructured for the purpose of removing work from a bargaining unit. Furthermore, the parties agree that it is essential for them to work together to assure that newly created and restructured jobs that are appropriately included within bargaining units are not improperly excluded from them.

For these reasons, the parties have adopted the following procedures for reviewing and determining the status of newly-created and restructured jobs with duties and responsibilities similar to those of positions included in Labor Management Partnership bargaining units.

While this process is intended for newly created jobs, this process may be used to determine the bargaining unit status of current positions that are in dispute, provided the parties mutually agree, at a local and national level, that it would be beneficial to use this process for that purpose.

If the local parties have an agreed upon process for reviewing newly created positions that provide for an expedited and timely resolution to the issue, that local process should prevail or they may mutually agree to use the process below.

Process. When the Employer creates a new position or restructures, including replacement of a union position with a non-union position with duties similar to those of employees in a Labor Management Partnership bargaining unit, the Employer will notify the appropriate union at least five working days before posting.

The Employer and the union will meet to review the position jointly within five working days of notification. The Employer and the union will present their reasons and recommendations concerning the bargaining unit status of the position. The parties will jointly discuss the position, the reasons for the Employer's determination, and attempt to reach agreement on the status of the new or revised job.

If the Employer and the union agree that the job is a bargaining unit position, it will be evaluated and posted under the contractual process for bargaining unit positions. When a position is determined to be a bargaining unit position, any identical positions which subsequently become available in the region will be posted as bargaining unit positions.

If the parties agree that the job is not a bargaining unit position, it will be evaluated and posted under the applicable regional process for such positions.

If the parties are unable to agree whether the job is a bargaining unit position, then the matter may be submitted as a dispute to an expedited Issue Resolution process. The parties will appoint a standing panel with the responsibility of expeditiously reviewing the facts with each party's perspectives and issuing a timely determination. Optimally, the standing panel would include several neutral parties with an inherent understanding of the complex issues

involved in such determinations, and sufficient flexibility in their schedules to expeditiously hear pending issues. The panel will be accountable to the Strategy Group, who will ultimately determine the composition of the panel and who may elect to appoint one or more Strategy Group members, or their designees, to the standing panel. The panel will be appointed by January 1, 2006.

The expedited process may be initiated by notification to the OLMP. The OLMP will notify the members and convene the panel. The panel will be available for a meeting, in person or by teleconference, within two weeks of notification with the purpose of reaching a decision in the matter. If a decision cannot be made in the initial meeting, another meeting will be scheduled as soon as possible. If the decision has not been made within the two-week period following the notification to the OLMP, the position may be posted and the posting will clearly indicate:

- *the position is under review;*
- *whether or not the position is a union or non–union position is undetermined at this time;*
- *if it is determined that the position is appropriately within the bargaining unit, the incumbent will be required to be part of the bargaining unit.*

If it is ultimately determined that the position is a bargaining unit position, and a job offer has not been made to a candidate before that determination, the position will be re-posted as a bargaining unit position.

The Labor Relations Sub-Committee of the Strategy Group will review activity and provide reports to the Strategy Group as necessary.

L. PROBLEM SOLVING PROCESSES

This Agreement contains three different problem solving processes, each with a different purpose. The first is the Issue Resolution process. Issue Resolution is used in conjunction with Corrective Action, and to problem-solve any department issue in an interest-based, rather than in a more traditional, adversarial manner. For most practical purposes, this is the problem solving process that will be used most by the parties on a local level.

The second problem solving process is a Partnership Review Process. This is a specific process designed to problem solve only disputes or differences of interpretation of Section 1 of the Agreement and certain designated provisions of Sections 2 and 3. The third process was designed specifically to address disputes or differences of interpretation of all other provisions of Sections 2 and 3 of the Agreement. This process is found at the end of Section 2.

1. ISSUE RESOLUTION AND CORRECTIVE ACTION PROCEDURES

An effective procedure for resolving issues is fundamental to the long-term success of the Labor Management Partnership. Solving workplace concerns quickly and by those most directly involved is essential to reducing conflicts, grievances, and patient/member complaints. It will also contribute to better relations and a more constructive work

environment. Issue Resolution and Corrective Action work in tandem to achieve these outcomes. To that end, the procedure has two components:

- *a system for raising and quickly resolving workplace issues using interest-based problem solving by those directly involved with the issue; and*
- *a method of resolving performance and behavior issues in a non-punitive fashion in which employee, supervisor and union representatives work together to identify the problem and craft the solution.*

a. Issue Resolution and Corrective Action

Summary of Issue Resolution. Issues are raised at the work unit level and the stakeholders within the work unit will meet to attempt to resolve the concern. Issues unresolved at the work unit level are reviewed by the local Partnership team. If the concern remains unresolved, the issue may be referred to the senior union and management regional strategy group, council, or equivalent for resolution. Issue Resolution is an alternative to, but does not replace, the Grievance Procedure.

Summary of Corrective Action. Corrective Action is designed to be a non-punitive process. It is divided into two phases. The first phase, problem solving, follows a joint discovery process. Problem solving consists of levels one and two, which are neither adversarial nor disciplinary in nature. The goal of this phase is to determine the root cause of the problem by identifying all of the issues affecting performance and to collaboratively develop options to resolve them. The first phase is informal, with no documentation in the personnel file.

The second phase, containing levels three through five, constitutes discipline. While there is no punishment, such as suspension without pay, the consequences of failure to resolve the issues may ultimately result in termination of employment. An employee who disputes any action at any level under this procedure shall have the right to file a grievance.

An Issue Resolution/Corrective Action User's Guide is available through the OLMP to provide a thorough orientation on successful utilization of the procedures for all covered employees.

Upon ratification of this Agreement and the local agreements, a small group will meet to problem solve issues of concern relative to the design and overall effectiveness of the Issue Resolution and Corrective Action provisions. The group will include representatives from the national Issue Resolution Implementation Team, as well as representatives from operations and those with knowledge of these issues and concerns. If these issues have not been addressed to the satisfaction of all parties by January 1, 2006, the issues will be submitted to the Strategy Group for resolution. The Strategy Group can choose to address the issues as a full group, appoint a sub-group and/or submit the issue(s) to a panel under Section 1 of the Agreement.

2. PARTNERSHIP AGREEMENT REVIEW PROCESS

After sharing information and fully discussing and exchanging ideas and fully considering all views about issues of interest and concern to the parties, decisions should be reached that are satisfactory to all.

It is understood that the parties may not always agree. Disagreement at the facility level which arises out of the interpretation and/or implementation of Section 1, should be referred to the local level Partnership team for discussion in an attempt to reach a consensus decision. If it cannot be resolved at the local level, the senior union and management regional strategy group, council or equivalent must address and attempt to resolve the issue no later than thirty calendar days following its referral. That group, after careful review of all facts and interests, will craft a consensus decision designed to resolve the issue.

If consensus proves impossible, the matter may then be referred to a national panel comprised of two union and two management members of the Strategy Group, along with a predetermined neutral designee selected by the Strategy Group. The panel will be designated immediately upon receiving a request. The panel will meet, confer and ultimately craft a solution within thirty days, unless the time is extended by mutual agreement. It is the responsibility of the neutral designee to ensure that a final resolution to the issue is crafted. The resolution will be final and binding on all parties. The Strategy Group members selected should be from among those least vested in the substance of the disagreement. Questions involving interpretation of the National Agreement may also be submitted to this Review Process by national parties.

M. TERM OF THE PARTNERSHIP

In recognition that the substance, as well as the spirit and intent, of this Agreement is largely dependent upon the existence of the Labor Management Partnership, the labor and management signatories commit to continue participation in and support of the Partnership throughout the term of this Agreement.

The Labor Management Partnership Agreement, inclusive of clarifying addenda of Employment and Income Security and Recognition and Campaign Rules, provides for a sixty-day notification period for either of the parties to disengage from the Partnership relationship; however, the Review Process in Section 1 of this Agreement substitutes for that notification an alternative process of reviewing and resolving issues that could otherwise individually or collectively result in the dissolution of this Partnership.

Notwithstanding the parties' commitment to this ongoing relationship, there may be instances where either side may engage in such egregious non-partnering behavior that the corresponding partner takes unilateral action and may also withdraw some or all of the Partnership privileges extended to the other party. Such behavior, unilateral action or withdrawal of privileges should likewise be submitted to the Review Process for determination and resolution.

As the Partnership matures, the parties recognize that, on occasion, either party may engage in behavior that conflicts with Partnership principles and elicits corresponding behavior from the other party. It is expected that this Review Process will also be instrumental in providing guidance to the parties for those occurrences.

Although the commitment to use the Review Process as the alternative to serving a sixty-day notice of termination of the partnership agreement runs concurrently with the National Agreement, the Labor Management Partnership Agreement continues in effect and does not terminate with the expiration of this Agreement.

SECTION 2:

WAGES AND BENEFITS

Wages, performance sharing opportunities and benefits as identified in this Section 2 are considered to be ongoing obligations and will terminate at the extended expiration of local agreements, rather than at the expiration of this Agreement.

A. COMPENSATION

To promote Partnership principles and support the guiding principle that Kaiser Permanente will be the employer of choice in the health care industry, Partnership employees should receive excellent wages. The parties recognize, however, that wages alone will not support an "employer of choice" strategy. In addition to wages, the parties are committed to investing in benefits, workforce engagement, training and development opportunities, and leadership development as critical elements in pursuing this goal.

In valuing and rewarding employees for length of service with Kaiser Permanente, the parties agree that wages should be tenure based. In addition to length of service, the parties agree to consider these factors in developing and adjusting compensation levels: labor market conditions, changes in cost of living, internal alignment, recognition of the value of the Labor Management Partnership, and ability to recruit new employees.

Compensation changes agreed to under the terms of this Agreement include three components:

- *annual Across-the-Board (ATB) wage increases;*
- *special adjustments; and*
- *potential for performance sharing bonuses in each year of the contract.*

1. ACROSS THE BOARD WAGE INCREASES (ATBs) AND SPECIAL ADJUSTMENTS

ATBs will be effective on the first day of the pay period closest to October 1 in each year of the Agreement. Special adjustments made pursuant to this Agreement or made during its term, will be effective on the first day of the pay period closest to the implementation date.

	Region or Area	Year 1	2	3	4	5
ATB (Across-the-Board) Increases	NCAL, SCAL, CO, NW	5%	4%	4%	3%	3%
	OHIO, MAS, TX	4%	3%	3%	3%	3%
	GA	[i]	3%	3%	3%	3%
RN Differentials [ii]	CO, OHIO, MAS	1%	1%	1%	1%	1%
	GA	[iii]	1%	1%	1%	1%
	NW	[iv]	1%	1%	1%	1%
	SCAL	1%[v]	1%[v]	1%	1%	1%
Self-Funded Performance Sharing Program ("PSP")	All Partnership Regions	3%	3%	3%	3%	3%
Job Classification Adjustments Imaging (Technical Classifications)	NCAL, SCAL, OHIO, GA, NW	Referred to by local table for joint resolution.				
Clinical Lab Scientists	NCAL, SCAL					
Coders	NCAL, CO					
Pharmacists	CO					
Respiratory Care Practitioners	NCAL, SCAL, NW					

Special Parity Adjustments - ROC Regions

NW - MSW/MH	Close gap in year one
MAS – UFCW Local 400 – Baltimore/DC	Close gap on 10/1/2006

Special Parity Adjustments - NCAL

UHW – Geographic Two Tier System SEIU Local 535 MH/SW – Geographic Two Tier System IFPTE Local 20 - Geographic Two Tier System	To be implemented mid-year in year 3, as agreed by the parties.
SEIU Local 535 - Pension Service Credit	By 9/30/08, or earlier if mutually agreed.
IFPTE Local 20 - Pension Service Credit	By 9/30/08, or earlier if mutually agreed.

Special Parity/Progression Adjustments - SCAL

Employees represented by OPEIU Local 30, IBT Local 166, USWA Local 7600, SEIU Local 535 (except AFN), SEIU UHW and all UFCW Locals in SCAL will receive a 4.23% Across-the-Board increase in year 3, in addition to the scheduled ATB.	To be implemented mid-year in year 3, as agreed by the parties.
SEIU Local 535 – Psychiatric Social Workers in San Diego will receive an adjustment to close the geographic gap in wage rates between San Diego and Los Angeles service areas.	To be addressed in year 3.

i Georgia implemented ATB increases in May 2005. Accordingly, the year 1 ATB Increase in Georgia will be applied as follows: 10/01/05 - 2%; and 5/01/06 - 1%.

ii The term RN means RN positions such as inpatient and outpatient RN (including Psychiatric RN), RNP, PA, CRNA, Nurse Midwife, Clinical Nurse Specialist or like positions, jointly agreed to, that are unique to the region.

iii Georgia implemented ATB increases in May 2005. Accordingly, the year 1 RN Differential in Georgia will be applied as follows: 10/01/05 - 0.5%; and 5/01/06 - 0.5%.

iv Northwest RNs: Inpatient night shift differential will be $5.00, inpatient evening shift differential will be $2.50. Outpatient RN wages will be at parity with inpatient. For RN, NP, PA, CNM, extra steps will be established in the scale at 16 and 20 years at 3% intervals, effective 10/01/05.

v In years 1 and 2, pursuant to a schedule agreed upon at the national table by SCAL union and management leaders, the general ATBs of 5% and 4%, plus the value of the RN differential, in addition to a total of $27.5M, will be used to revise the steps and wages within the step structure for both UNAC and SEIU 535 / AFN Registered Nurses. In year 1, an additional $2.5M will be used to increase UNAC differentials.

2. PARTNERSHIP BONUS

Partnership Bonus in Ohio, Georgia and Mid-Atlantic States. Coalition represented employees in the Ohio, Georgia and Mid-Atlantic States regions will receive an annual cash Partnership Bonus in each of the first and second years of the Agreement. The total amount available to fund the Partnership Bonus in each region will be 0.5% of represented employee payroll in that region in each year.

3. PERFORMANCE SHARING

Performance Sharing is intended to recognize that, through the Labor Management Partnership, employees and their unions have a greater opportunity to impact organizational performance and employees, therefore should have a greater opportunity to share in performance gains. The parties support the Labor Management Partnership Performance Sharing Program (LMP PSP) as a way to continue the transformation of the organization, through Partnership, to a high performing organization and to share the success of the organization with employees covered by this Agreement.

The Strategy Group will be accountable for the LMP PSP. The Strategy Group may, but is not required to, establish national factors each year that will be included in all regional and local programs, together with regional and local factors. The Strategy Group will appoint a PSP Design Team to review the 2005 Performance-Based Pay BTG recommendations and make improvements to the LMP PSP by December 31, 2005, for the 2006 plan year. The emphasis will be on achieving simplicity, ease of administration and alignment with organizational and Partnership goals. This will provide employees a "line of sight" between their performance and the success of Kaiser Permanente through development of local programs under the LMP PSP.

Performance Sharing is over and above base wage rates and will be based on mutually-agreed-to performance factors and targets. The LMP PSP is self-funded through operating margin. Performance targets will be set by region or national function and may be based on quality, service, financial performance, or other mutually acceptable factors. If targets are met, Performance Sharing opportunities will be as shown below for each year the Agreement is in effect. All amounts will be based on total payroll for employees covered by the Partnership in each region or national function.

Year 1- *3% payout at target to be paid out in First Quarter 2007, based on 2006 performance;*

Year 2- *3% payout at target to be paid out in First Quarter 2008, based on 2007 performance;*

Year 3- *3% payout at target to be paid out in First Quarter 2009, based on 2008 performance;*

Year 4- *3% payout at target to be paid out in First Quarter 2010, based on 2009 performance; and*

Year 5- *3% payout at target to be paid out in First Quarter 2011, based on 2010 performance.*

The LMP PSP depends on Partnership structures and processes that empower employees to have an impact on the program's targeted factors. To afford employees a reasonable opportunity to earn the annual payouts, Partnership structures and processes must achieve critical thresholds to support the PSP. Further, jointly determined factors must be measurable against mutually agreed upon predetermined targets.

As the Labor Management Partnership continues to grow and evolve, an important element is to ensure that employees share in the success of the organization as enhanced performance is achieved through the Partnership. Specifically, all Partnership employees will participate in the LMP PSP, which provides an annual cash bonus opportunity based upon regional or functional area performance in the areas of quality, service, financial health and/or other mutually acceptable factors. The jointly designed program will reward partnership employees for reaching mutually agreed upon national, regional, and/or local targets.

The following agreements are currently reflected in the LMP PSP.

- *All Kaiser Permanente employees covered under this Agreement shall participate in the LMP PSP. This includes full-time, part-time, short-hour, casual, on-call and per diem employees.*
- *Other incentive, gain sharing or reward programs may currently cover some Labor Management Partnership employees. In such cases, employees may not receive a payment from the LMP PSP in addition to a payment from a current program. Instead, employees shall receive the higher of either the LMP PSP or their current program.*
- *At any time during the term of this Agreement additional sub-regional (local) plans may be mutually developed. In these instances, the covered employees will not receive a payment from both programs, but will receive a payment from the program that provides the highest payment.*
- *The program year shall be the calendar year, with a maximum of five mutually agreed upon factors set at the beginning of each year. The LMP PSP shall run for the calendar year with final results determined and payments issued during the first quarter of the year following the end of the program year.*
- *The LMP PSP will establish mutually agreed upon regional or functional annual targets with a bottom threshold (minimum payment) and an upper limit stretch target (maximum payment) in the areas of quality, service, financial health and/or other mutually acceptable factors. Regional or functional factors should be aligned with, and to the extent appropriate and mutually agreeable may be similar or identical to, physician and/or managerial incentive programs. The percentage payouts listed above will be paid for achieving performance at targeted levels. Proportional payouts (i.e., higher or lower than listed above at target level) will be made for performance achieved that is either above or below targeted levels.*
- *While the factors (i.e., quality, service, finance, etc.) may be different from region to region, the opportunity for reaching the selected targets, shall be consistent across all regions.*
- *Targets should be set to stimulate and reward improvement; however, from region to region there must be a reasonable and relatively equal opportunity to reach each of the targets.*

- *Employees must be in job classifications covered by this Agreement during the program year and be active on December 31st to receive a payment under the LMP PSP for that year; however, employees who retire during the program year or prior to the payment date or transfer to another Kaiser Permanente job classification not covered under this Agreement shall receive a pro-rated payment based upon compensated hours attained during the program year in a job classification covered under the Partnership.*
- *Distribution of the Performance Sharing pool will be calculated as a percentage of the regional or functional total payroll, defined as total compensated hours times the established Weighted Average Rate (WAR) for all employees represented by local unions who are party to this Agreement.*
- *Payouts will be made in the form of lump sum bonuses proportional to the compensated hours of each employee; however, employees with 1800 compensated hours or more in the program year shall be considered full time employees for the purposes of the LMP PSP and have their hours capped at 1800 hours. Employees with compensated hours less than 1800 hours shall receive a bonus pro-rated for compensated hours.*

B. HEALTH AND WELFARE BENEFITS

1. MEDICAL BENEFITS

a. Eligibility

- *All employees who are regularly scheduled to work 20 or more hours per week are eligible for medical benefit coverage.*
- *Medical benefit coverage is effective the first day of the month following eligibility (e.g. date of hire, benefit eligible status, etc.). Initial coverage under flexible benefit plans is temporary, basic medical coverage. The selected medical coverage and other benefits in the flexible benefit plan will be effective the first day of the month following three (3) months of benefit eligible service.*

b. Basic Comprehensive Plan

Kaiser Foundation Health Plan, Inc. (KFHP) has established a national account to enable the Employers to act as a national purchaser of health care benefits. The parties agree that discussions concerning any changes in benefits or benefit coverage contemplated by KFHP, Inc. should be joint and should be initiated no less than six months prior to the effective date of any proposed changes, and that such discussions should be concluded no less than three months prior to the effective date.

The parties agree that eligible employees covered by this Agreement shall be covered by the Basic Plan. The Basic Plan shall be based on a "Kaiser Foundation Health Plan Traditional HMO Plan". While the parties understand that some variation in benefits may be necessary, the intent is to achieve national uniformity where possible. The Basic Plan shall include outpatient and hospital and other services in addition to the following features:

• dispensed prescription drugs for up to 100 days/3 months for maintenance medications, barring state statutory or other legal or technical barriers;

- *100% allocation for Colorado mid-level option of the Flexible Benefits Plan;*
- *dependents (spouse, domestic partner, unmarried children up to 25, special dependents); and*
- *Durable Medical Equipment (DME).*

On or after January 1, 2006, the Plan covering employees in the Northern California region will include a five (5) dollar office visit co-pay.

Flexible benefit programs in local labor agreements, amended to reflect the features above, will remain unless another plan is implemented by mutual agreement.

c. Parent Coverage

Parents and parents-in-law of eligible employees residing in the same service area will be able to purchase Health Plan coverage, in accordance with the Letter of Agreement between the parties made effective May 1, 2002 and modified by a subsequent agreement between the parties dated May 22, 2003 (attached as Exhibit 2.B.1.c.).

d. Health Care Spending Account

A Health Care Spending Account (HCSA) option will be provided to employees eligible for benefits. This account is a voluntary plan that allows the employee to set aside pre-tax dollars to pay for eligible health care expenses. The maximum HCSA annual contribution will be $3,000. HCSA may be used to pay for certain expenses for the employee and eligible family members as permitted under Internal Revenue Code.

e. Creation of a Flexible (Flex) Benefit Program and Recognition of Martin Luther King, Jr.'s Birthday

The parties have agreed to work together to implement a flexible benefit program and to identify a consistent way to recognize and celebrate Martin Luther King, Jr.'s birthday. The adoption of each program is dependent upon adoption of the other.

In the first year of the Agreement, the unions and management will design a program-wide, voluntary, flexible benefit program. The parties further agree to work on a consistent approach and implementation plan aimed at recognizing and celebrating Dr. King's birthday across the Program. The implementation of these programs would occur in the second year of the agreement (on a mutually agreeable date) and will be dependent on the parties reaching mutual agreement on the components of the programs.

This Flex program is intended to be offered as an alternative to traditional plans and would have no impact on existing flexible benefit programs.

The fundamental criteria for the Flex program would include the following:

- *a fully-funded option that would mirror the traditional benefit plans, including long-term disability where an employer-paid plan exists;*
- *co-pays for the funded level would be the same as the traditional plan for the region;*
- *a provision that employees could opt out of the Flex program on an annual basis and return to the traditional plans, and vice versa, subject to insurance contract requirements;*

- *the program, at a minimum, would include health, dental, long term disability and life insurance components. It would not include ETO/PTO or other similar time off benefits; and*
- *a cash-out for opting out of benefits that would be low enough so that workers would have no incentive to opt out. (There would be a requirement that workers provide verification of health care coverage before being permitted to opt out.)*

2. RETIREMENT BENEFITS

a. Defined Contribution Plan

The Employer will establish the following Employer Contribution Programs in the existing salary deferral plans:

- *Beginning in 2006 and continuing throughout the term of the Agreement, a performance-based contribution of 1% of each represented employee's annual payroll earnings will be made if the region's performance equals or exceeds the budgeted margin plus 0.25. For example, if budgeted margin is 2%, actual margin of 2.25% is required for payment of the performance-based contribution, and if budgeted margin is 4%, actual margin of 4.25% is required for payment. The first performance-based contribution opportunity will be based on 2006 year-end performance, with the applicable contribution made in March of 2007.*
- *Beginning January 1, 2008 and continuing throughout the term of this Agreement, a match program will be established in addition to the performance-based opportunity described above. This program will match 100% of the employee's contribution, up to 1.25% of the employee's salary.*

All employees with one or more years of employment will be eligible for the Employer Contribution Programs described above. The Employer contributions will vest in increments of 20% per year, with participants becoming fully vested five years after their participation begins. Employees covered by defined contribution plans established under local collective bargaining agreements will receive the higher of the benefit provided under the local agreement, or the benefit provided under this plan.

After the first year of the match program, the parties agree to meet and review factors and participation trends under the match program, in order to determine if any adjustments in enrollment practices or the Employer contribution rate are appropriate.

In 2009 and 2010, the Ohio, Georgia and Mid-Atlantic States regions will each make a supplemental annual contribution (Contribution) to their respective Defined Contribution Plans if the region achieved its three-year cumulative budgeted margin for the 2006, 2007 and 2008 calendar years. The total amount of each Contribution will be equal to the additional annual pension expense the region would have incurred in that year had the region increased its Defined Benefit Plan multiplier to 1.45 at the beginning of that plan year. The assumptions used to calculate this value will be those in effect for the calculation of pension expense in the year in which the Contribution is to be made. No amounts will be contributed under this provision for any year in which the region has actually applied a 1.45 multiplier under its Defined Benefit Plan. No past service credit will be included in determining employer Contribution amounts. The design of the participant allocation of the Contribution will be determined prior to the date of the first Contribution, by agreement between the Coalition and management.

b. Defined Benefit Retirement Plan

Employees represented by Coalition unions are covered by the defined benefit retirement plans listed in Exhibit 2.B.2.b. The benefits will be governed by the Plan Documents in effect for each plan, as well as the Letter of Agreement between the parties regarding pension multipliers made effective January 7, 2002 and modified by a subsequent agreement between the parties dated May 22, 2003, as well as the Letter of Agreement regarding Early Reduction Factors made effective August 19, 2002 (all attached as Exhibit 2.B.2.b.). Those bargaining units with higher multipliers currently provided under local collective bargaining agreements will maintain the higher multipliers in accordance with those agreements.

Employees who are represented by the UFCW and are participants in Taft-Hartley trusts will have the following increases in the Employers' contribution:

- *Southern California - fifty (50) cents per employee per hour, effective October 1, 2005; and*
- *Northwest - thirty (30) cents per employee per hour, effective October 1, 2005, an additional thirty (30) cents per employee per hour effective October 1, 2006, and an additional thirty (30) cents per employee per hour, effective October 1, 2008.*

c. Continuation of Certain Retirement Programs

During the 2000-2005 term of the National Agreement, a number of unrepresented employee groups chose to become represented and form new bargaining units. At that time, the Coalition and Kaiser Permanente agreed that where a new bargaining unit was formed of employees who were participants in the Kaiser Permanente Salaried Retirement Plans A and B, or Permanente Medical Group Plans 1 and 2, those benefit formulas would be temporarily maintained, despite the employees' transition into a new bargaining unit, in order to explore the possibility of developing a joint, consistent recommendation on how to handle retirement benefits in these circumstances. The parties agree that the bargaining units that retained these benefits under that side letter will continue to keep those benefits for the duration of this Agreement, unless the parties mutually agree to convert them to another plan.

The parties remain committed to working on a joint vision and strategy for retirement programs. To that end, the joint Labor Relations Sub Committee of the Strategy Group will be commissioned to explore the feasibility of a joint vision. Within that, the Labor Relations Sub Group will submit to the Strategy Group a recommendation on how to handle future employee groups who choose to become newly represented groups, and how to handle non-union employees who are accreted into existing bargaining units.

d. Pension Service Credits

Members of the RN, Dental Hygienist and Technical bargaining units in the Northwest region who converted from a Defined Contribution plan to a Defined Benefit plan in 2003-2004, will be eligible for pension service credits in accordance with the September 2005 Letter of Agreement between the Health Plan and OFNHP and ONA at the local level.

e. Investment Committee Representative

A representative of the Coalition will be designated to serve on the Investment Committee of the Kaiser Permanente Pension Plans.

f. Pre-Retirement Survivor Benefits

Under the pension plans, a pre-retirement survivor benefit is payable to the spouse of a deceased employee. The survivor benefit will be expanded to include domestic partners and/or qualified dependents of employees.

Domestic Partner Benefits Under the Pension Plan. Under the pension plans, a survivor benefit will be payable to an employee's designated domestic partner upon the employee's death, provided that an affidavit certifying the partnership has been completed by the domestic partner and employee. This is not applicable to Taft-Hartley plans.

Non-Spouse Survivor Qualified Dependent. Under the pension plans, survivor benefits will be payable to a qualified dependent. A qualified dependent is one or more individuals who, at the time of the employee's death, meet the definition for a dependent as defined by the Plan. The amount of the monthly benefit will be based on the employee's accrued benefit as of the date of death and will be determined as if the employee had retired on the day before death, and had elected the Guaranteed Years of Payment method for 120 months with the qualified dependent as beneficiary.

If a spouse or domestic partner and a qualified dependent survive the employee, the spouse or domestic partner will receive the survivor benefit. If the employee is survived by a spouse or domestic partner and a qualified dependent and the employee's surviving spouse or domestic partner dies before the tenth anniversary of the employee's death, the qualified dependent will receive a monthly benefit effective the month following spouse or domestic partner's death and ending on the tenth anniversary of the employee's death.

g. GATT Amendment

All benefits under the defined benefit pension plans will be calculated using GATT provisions. The interest rate for payments will be determined monthly and will be based on the Treasury yield from two months earlier.

h. Retiree Medical Benefits

Effective January 1, 2006, for SEIU Local 105 employees in the Colorado region, the maximum monthly Employer-paid contribution towards retiree health care coverage for retirees with twenty-five (25) years of service will increase to $150.00 per person per month. The Employer-paid contribution for retirees with less than twenty-five (25) years of service, but with fifteen (15) or more years of service, will be reduced by 4% for each year of service under twenty-five (25) years, with a minimum benefit of $90.00 per person, per month.

For eligible retirees who move from one Kaiser Permanente service area to another Kaiser Permanente service area, a KFHP plan will be offered with a $5 office visit co-pay and a $5 prescription drug co-pay. This plan will be integrated with Medicare, when applicable.

For eligible retirees who move outside of any Kaiser Permanente service area, an Out-of-Area plan will be offered and will provide comprehensive inpatient and prescription drug coverage. This plan will be integrated with Medicare when applicable.

3. OTHER BENEFITS

All employees will be offered the following:

a. Dependent Care Spending Account

A Dependent Care Spending Account (DCSA) option will be provided to employees eligible for benefits. This account is a voluntary plan that allows the employee to set aside pre-tax dollars to pay for eligible dependent care expenses. The maximum DCSA annual contribution will be $5,000. DCSA may be used to pay for certain expenses for eligible family members as permitted under the Internal Revenue Code.

b. Survivor Assistance Benefit

The Survivor Assistance Benefit will cover employees who are eligible for benefits. This benefit will provide the employee's chosen beneficiary(ies) with financial assistance upon the employee's death. The amount payable is equal to one times the employee's monthly base salary (pro-rated for part-time employees based on regularly scheduled hours). Should death occur while the employee is on a leave of absence of less than one year, the beneficiary(ies) will continue to be covered by this benefit.

c. Workers Compensation Leaves of Absence

Effective with workers' compensation leaves of absence commencing on or after October 1, 2000, up to 1000 hours of workers compensation leave(s) may be used toward determining years of service for purposes of meeting the minimum eligibility requirements for retirement or post-retirement benefits.

d. Disability Insurance

Beginning in the first year of the Agreement the eligible employees of the Northern and Southern California regions, and beginning January 1, 2007 the eligible employees of the Northwest region, shall receive long-term disability insurance coverage with the same benefit levels as those contained in the SEIU-UHW long-term disability plan in Southern California. (General description of SEIU-UHW long and short-term disability plan benefit levels for Southern California is attached as Exhibit 2.B.3.d.).

Beginning in the first year of the Agreement the eligible employees of the Northern and Southern California regions and beginning January 1, 2007, the eligible employees of the Northwest region, shall receive short-term disability coverage with the same benefit levels as those contained in the SEIU-UHW short-term disability plan in Southern California.

Employees in the above-mentioned regions with superior long-term and/or short-term disability coverage provided under local collective bargaining agreements shall maintain that coverage.

e. Employee Health Care Management Program

Kaiser Permanente will offer a comprehensive Employee Health Care Management Program to help employees manage their chronic diseases and other existing health issues. The goal of the program will be to reduce the incidence of these chronic diseases among employees. The Employee Health Care Management Program will be integrated with existing care management and employee health programs at the local level. The parties will jointly design an Employee Health Care Management Program and prepare an implementation plan to include a staffing plan, in the first year of the Agreement. The program will include metrics that measure the success of and gaps in the program and identify successful practices.

4. MAINTENANCE OF BENEFITS

Effective October 1, 2005, all employee health and welfare benefit programs provided under local collective bargaining agreements, including the co-pays and premium shares paid by the employee, will be maintained for the term of this Agreement. Exceptions will be made for:

- changes that are legally required or mandated by regulators;
- minor changes in formularies;
- changes that result in a reduction in benefit level, but have a minimal or no impact on members (de minimus changes);
- treatment modality changes;
- changes in technology; or
- benefit reductions affecting the low option offered under a flexible benefits program, provided the benefit is available under a higher level option.

The parties will meet prior to February 1, 2006 to agree upon a more detailed definition of de minimus changes. If no agreement is reached by March 1, 2006, the issues and areas of disagreement will be summarized and submitted to the Stralegy Group for resolution.

A joint committee will be established at the national level to perform an annual review of the regional benefit programs which are subject to this provision, including traditional and flexible benefit plans. The committee will be provided timely annual summaries of such benefit programs and, where appropriate, will agree to changes.

Disputes arising under this provision will be submitted for review and resolution under Section 1.L.2. of the Agreement.

5. REFERRALS TO THE STRATEGY GROUP

In order to maximize the value of retirement and other benefits, employees should be educated periodically throughout their careers to better understand and utilize the benefits provided and to assist in effective retirement planning. The Strategy Group will appoint a committee to develop the content and materials for an education program for all Kaiser Permanente employees.

C. DISPUTES

Mutual Review and Resolution Processes

[For Sections 2 and 3]

The parties agree that any dispute concerning interpretation or application of Section 2 or 3 of this Agreement first should be addressed at the local level by the parties directly involved in the dispute. Such disputes should be initially handled in accordance with the grievance procedure set forth in the applicable local agreement. Any resolution of the dispute at the local level shall be non-precedent setting.

If no resolution is achieved at the regional step of the applicable local agreement's grievance procedure, within fifteen days after receiving the regional response the moving party may submit the dispute to a National Review Council (NRC). The National Review Council will be composed of one permanent representative designated by the Coalition and one permanent representative designated by Kaiser Permanente. The NRC will meet within ten days after receiving the dispute in an effort to achieve a satisfactory resolution. The NRC will notify the parties, in writing, of any proposed resolution. Unless otherwise mutually agreed by the parties, any resolution shall be non-precedent setting. If no proposed resolution is achieved, or if the moving party does not accept the resolution proposed by the NRC, then the moving party may submit the issue to arbitration within fifteen days after receiving notice of the proposed resolution. Arbitration shall be conducted in accord with the procedures set forth below.

Arbitrations shall be conducted before panels consisting of two union representatives, two Employer representatives and one neutral, third-party arbitrator who will serve as the panel chair.

Within thirty days after ratification of this Agreement, the parties will designate a list of seven arbitrators (one from the East, one from the Rocky Mountain area, two from the Northwest and three from California) to serve as panel chairs in their respective geographic areas. The parties will reach mutual agreement on arbitrators based on their common experience with arbitrators in each geographic area. Arbitrators selected shall be provided an orientation to the Labor Management Partnership and the principles and philosophy of this Agreement.

Each arbitrator shall provide at least three days in a calendar year for panel hearings, so that the panels chaired by each arbitrator shall be scheduled to convene at least once every four months. A panel date may be cancelled no more than four weeks in advance if there are no cases to be heard by that panel on the scheduled date. Additional dates may be added based on the need for timely resolution; in such circumstances, the parties will give strong consideration to assigning the case to a panel for a particular geographic area whose arbitrator is able to provide the earliest available date.

Cases will be assigned to each arbitration panel by mutual agreement of the parties at the national level. More than one case may be presented to a panel at each session, and the parties will use their best efforts to assure that cases are presented within the same calendar quarter; preferably within thirty days after the referral to arbitration.

The order and manner of case presentation shall be consistent with the expedited procedures currently used by local parties pursuant to their local agreements. Decisions

shall be rendered by a panel majority, and written Opinions and Awards shall be prepared by the neutral arbitrator. The panel decisions shall be final and binding, and written decisions shall issue within thirty days after the hearing is closed. The panel decision shall be precedent-setting, unless otherwise mutually agreed by the parties prior to the hearing.

Time limits may be extended by mutual agreement. At any time prior to issuance of a panel Opinion and Award, the parties at the national level may agree to remand a dispute to an earlier step of the process.

The arbitrator and arbitration panel shall not be authorized to add to, detract from, or in any way alter the provisions of the National Agreement, the Labor Management Partnership Agreement, or any local agreement.

The arbitrator's fee and all incidental expenses of the arbitration shall be borne equally by the parties; however, each party shall bear the expense of presenting its own case and expenses associated with its party panel member(s).

SECTION 3:

SCOPE OF THE AGREEMENT

A. COVERAGE

This Agreement applies only to bargaining units represented by local unions that Kaiser Permanente and the Coalition mutually agreed would participate in the national common issues bargaining process and who, prior to the effective date, agreed to include this Agreement as an addendum to their respective local collective bargaining agreements. Application to any other bargaining unit, other than newly organized bargaining units as described below, will be subject to mutual agreement of the parties.

The parties agree that when a local union signatory to this Agreement is recognized to represent a new bargaining unit of an Employer pursuant to the provisions of the Labor Management Partnership Agreement and the Recognition and Campaign Rules, the local parties shall use an interest-based process to negotiate the terms of a local collective bargaining agreement and the appropriate transition to this Agreement.

B. THE NATIONAL AGREEMENT AND LOCAL AGREEMENTS

Provisions of local collective bargaining agreements and this Agreement should be interpreted and applied in the manner most consistent with each other and the principles of the Labor Management Partnership. If a conflict exists between specific provisions of a local collective bargaining agreement and this Agreement, the dispute shall be resolved pursuant to the Partnership Agreement Review Process in Section 1.L.2.

If there is a conflict, unless expressly stated otherwise, this Agreement shall supersede the local collective bargaining agreements; however, in cases where local collective bargaining agreements contain explicit terms which provide a superior wage, benefit or condition, or where it is clear that the parties did not intend to eliminate and/or modify the superior wage, benefit or condition of the local collective bargaining agreement, this Agreement shall not be interpreted to deprive the employees of such wage, benefit or condition. It is understood that it is not the intent of the parties to inadvertently enrich or compound wages, fringe benefits or other conditions or to create opportunities for "cherry picking," "double dipping," etc.

C. NATIONAL AGREEMENT IMPLEMENTATION

The Partnership Strategy Group oversees and will hold their respective leaders accountable for implementation of the National Agreement, including:

- *coordinating an implementation plan;*
- *developing and enforcing accountability;*
- *sponsoring and chartering continued work;*

- *identifying needed support; and*
- *establishing metrics for implementation.*

D. DURATION, RENEWAL AND REOPENING

1. The duration of this Agreement is October 1, 2005 through September 30, 2008. It shall automatically renew itself for an additional two year period (October 1, 2008 through September 30, 2010), unless either the Coalition (by its Executive Director) or Kaiser Permanente (by its Vice President for the LMP) gives the other party written Notice of Reopening no later than ninety (90) days and no earlier than one hundred, twenty (120) days prior to October 1, 2008.

2. If either party to this Agreement gives timely Notice of Reopening to the other as set forth in Paragraph D.1., this Agreement and all local agreements that incorporate this Agreement as an addendum ("Relevant Local Agreements") shall be reopened with respect to Across-the-Board wage adjustments and Retiree Medical Benefits only ("Reopener Subjects"). Any and all negotiations conducted pursuant to this reopener shall be conducted at the national level by the CIC. There shall be no local negotiations, and no other subjects shall be addressed.

    a. *If this Agreement is reopened pursuant to Paragraphs D.1. and D.2., above, and the parties reach agreement with respect to the Reopener Subjects before October 1, 2008, this Agreement shall automatically renew itself for an additional two-year period, and any and all agreed upon changes with respect to Reopener Subjects shall be incorporated into this Agreement and the Relevant Local Agreements.*

    b. *If this Agreement is reopened pursuant to Paragraphs D.1. and D.2., above, and no agreement is reached with respect to the Reopener Subjects before October 1, 2008, this Agreement shall automatically renew itself for an additional two-year period on all other existing terms and conditions, provided, however, that the parties may continue to negotiate concerning the Reopener Subjects until such time as agreement is reached on those subjects or negotiations conclude. Any and all changes resulting from such continued negotiations shall be incorporated into this Agreement and the Relevant Local Agreements.*

3. This Agreement also affects the duration, renewal and reopening of Relevant Local Agreements as follows:

    a. Unless otherwise effective earlier as set forth in paragraph 3.b., below, all Relevant Local Agreements shall be effective as of October 1, 2005 and remain in effect until midnight on September 30, 2008. They shall automatically renew themselves, unless Notice of Reopening is given in accordance with Paragraph D.1. above, for an additional period that depends on their classification under the 2000 National Agreement, as follows:

        - **GROUP I** (local collective bargaining agreements with expiration dates on or before September 30, 2005): The renewed period for Group I agreements will begin October 1, 2008 and expire on the anniversary in 2010 of their original Group I expiration date.

- **GROUP II** (local collective bargaining agreements with expiration dates between October 1, 2005 and January 31, 2007): The renewed period for Group II agreements will begin October 1, 2008 and extend through January 31, 2012 on the anniversary of their original Group II expiration date. In the event of such automatic renewal, employees covered by Group II agreements will receive a wage increase on October 1, 2010 of not less than 3% ATB. The 3% may be increased by an escalator method based on the BTG wage philosophy factors recommended to the Common Issues Committee on July 6, 2000. The method will be determined no later than April 1, 2007. The method and its application will be subject to resolution in the review process in Section 1 of this Agreement.
- **GROUP III** (local collective bargaining agreements with expiration dates on or after February 1, 2007): The renewed period for Group III agreements will begin October 1, 2008 and expire on or after February 1, 2012 on their original Group III expiration date. In the event of such automatic renewal, Group III agreements will be reopened on a staggered basis between October 1, 2010 and April 1, 2011. The actual dates to reopen each Group III agreement will be determined no later than April 1, 2007. Group III reopener settlements will apply up to the extended expiration date of the Relevant Local Agreement or for a new full term if jointly determined in local bargaining.

b. Any Relevant Local Agreement entered into during the 2005 bargaining cycle prior to October 1, 2005 shall be effective as of the date of execution. Provisions of this Agreement incorporated as addenda to such a Relevant Local Agreement shall become effective as of October 1, 2005.

c. If Notice of Reopening is given in accordance with Paragraphs D.1. and D.2., above, the renewal provisions of Paragraphs D.2.a. and D.2.b. shall apply to the Relevant Local Agreements in the same manner as to this Agreement, except that the duration of a renewed Relevant Local Agreement shall be the period designated for its Group as set forth in Paragraph D.3.a., above.

4. All terms of the renewed Agreement shall expire at midnight on September 30, 2010, except for the wages, performance sharing opportunities, and benefits as identified in Section 2 of the Agreement. Those excepted provisions shall continue in effect until the expiration dates of the Relevant Local Agreements.

E. LIVING AGREEMENT

The parties acknowledge that during the term of this Agreement, a party at the national level may wish to enter into discussions concerning subjects covered by this Agreement or to modify specific provisions of this Agreement or a party at the local level may wish to enter discussions concerning subjects covered by the local collective bargaining agreement or to modify its specific provisions. The parties agree that neither a union nor any Kaiser Permanente entity shall refuse to engage in such discussions. The parties further agree that, consistent with the Partnership principles set forth above, they will engage in such discussions with the intent to reach mutual agreement; however, during the term of this Agreement, no party shall be required to agree to any modifications of either this Agreement or the local collective bargaining agreement.

EXHIBITS

Exhibit 1.B.1.b

2005 Performance Improvement BTG Report, Page 7

By centering Partnership on DBTs, we also expect to eliminate parallel, duplicative structures in the organization. There will be fewer meetings, and more will be accomplished because all of the stakeholders are at the table from the beginning. This should help increase union capacity to partner, as well as reduce backfill issues.

We will know how well DBTs have performed by reviewing their performance on the metrics they have chosen, which will be aligned with the goals developed at the higher levels of the accountability structure in Recommendation 1. We would also expect to see improvements on People Pulse scores regarding influence over decisions, involvement in decisions, knowledge of department goals, and use of employees' good ideas.

Developing and implementing DBTs will incur costs, particularly for readiness training, described in more detail in our Recommendation 4, as well as release time and backfill.

Implementation Issues

A key enabler of this recommendation should be the growing sense of urgency, even crisis, among many of us that unless we make Partnership real to front-line employees, supervisors and stewards in the very near future, we will lose the opportunity forever. There is an equally motivating sense of crisis in the health care market – make significant performance improvement now, or lose market share. At the same time, we are well positioned to implement DBTs at this juncture: we have a shared vision of a high performing Partnership, we are committed to engaging employees, and we have the resources in place to support the development of DBTs.

We will have to overcome some barriers, including competing priorities and difficulty in measuring results across the program. We will have to work hard to overcome the project mentality that has taken hold of Partnership – it's a separate, parallel, off-line activity, rather than the way we do business every day. There may also be some concern over the idea that partnering in the business means shifting supervisor work to the DBT members.

Timeline

We envisioned a phased approach to implementation, with the first year focused on readiness training and education and developing a plan to enable employees, supervisors and stewards to operate differently. Again, some parts of the organization already do use DBTs; this plan will provide support for those that do not. The remaining years of the 2005 contract would be spent implementing DBTs, and measuring success based on the jointly developed metrics.

2006: Plan for and agree on a plan to prepare employees, supervisors and stewards to partner in Department Based Teams. Plan will cover needs for business education, training, facilitation, etc.

2007: Jointly-developed budget and regional performance objectives in place.

2008: Organization begins to see significant performance improvement attributable to DBTs.

2010: 100% of the organization operating in DBTs.

Exhibit 1.C.4(1)

2005 Scope of Practice BTG Report, pages 14-17

Section X: References

Reference 1: National Compliance Plan

Reference 2: Regional Scope of Practice Committee Structure and Process

Region	SOP Committee Structure and Process Summary
COLORADO PURPOSE	The purpose of the Scope of Practice Oversight Committee is to provide region-wide monitoring, leadership, and oversight for compliance with legal, accreditation, and organizational scope of practice requirements. To achieve this purpose, the committee will: • *Assure alignment of Health Plan, CPMG and union leadership to address scope of practice risks,* • *Identify and prioritize clinical areas at risk for Scope of Practice violations,* • *Assure clear delineation of accountabilities between practitioners (physicians and allied health professionals) in job descriptions, care delivery documentation, and information systems,* • *Assure that a process to identify and stay current on scope of practice and related billing laws, regulations, and accreditation standards for all practitioners is in place,* • *Communicate physician responsibility for assuring the quality of medical services found in care delivery models, clinical guidelines, clinical policies, and quality standards,* • *Assure that reviews of existing and new care delivery models are conducted, in consultation with Compliance, Risk Management and Legal as appropriate, for scope of practice consideration, and* • *Assure scope of practice corrective action plans are developed and implemented as appropriate.*
MEMBERSHIP	CHAIR AND MEMBERSHIP The Regional Compliance Officer and Director of Business and Clinical Risk Management co-chair this committee. The membership shall consist of representatives from Behavioral Health, Pharmacy, Nursing, Operations, CPMG, Local 7, Local 105, HR, and Coding.
REPORTING	At least annually, representatives of the SOP Oversight Committee shall meet with and report to the Colorado Compliance Executive Committee. The report shall include:

	• *Assessment of current SOP risk areas, and recommendations to mitigate risk,* • *Information on monitoring and internal controls present in operational areas,* • *And a summary of significant SOP activities undertaken since the last report*

Region	**SOP Committee Structure and Process Summary**
GEORGIA PURPOSE	• *Assure scope of practice review is completed for all applicable clinical staff in health plan and medical group.* • *Identify and clarify all scope of practice issues identified.* • *Report findings of scope of practice review to Regional President and Medical Director.* • *Develop a process and identify accountabilities to assure corrective action plans are developed, implemented, evaluated for effectiveness and monitored over time to assure required practice changes have occurred.*
MEMBERSHIP	Membership consists of representatives from health plan, medical group, risk management, labor and HR functions for Health Plan and Medical Group. Sponsors are Dr. Debra Carlton and Leslie Litton as leaders of the HealthConnect Implementation Project.
REPORTING	• *Regional President* • *TSPMG Medical Director* • *Chief Compliance Officer*

Region	**SOP Committee Structure and Process Summary**
MAS PURPOSE	The Scope of Practice Committee is the oversight body for regional scope of practice issues. The Committee will review and address scope of practice issues and risks for both licensed and unlicensed clinical and support staff to ensure compliance with legal, accreditation, and organizational requirements and improve upon patient safety and operational effectiveness. The Committee Will: • *Develop and maintain an inventory of scope of practice requirements by position type;* • *Review and approve protocols, policies and procedures created by the*

	Committee to meet scope of practice regulations and requirements for unlicensed and licensed clinical and support staff; • *Develop and oversee implementation of annual scope of practice work plan and action items;* • *Establish a mechanism for recurring review of clinical position descriptions;* • *Evaluate existing and proposed clinical practices for scope of practice risks and/or violations and the impact on scope of practice;* • *Develop and oversee scope of practice training and education throughout the region;* • *Coordinate with re-existing committees and work groups to ensure that scope of practice issues are addressed effectively;* • *Provide recommendations to Committee sponsors and senior leadership regarding identified opportunities for change; and* • *Monitor corrective actions to ensure continued compliance with prescribed scope of practice requirements and regulations.* • *Collaborate with appropriate departments to ensue that changes are integrated into existing systems, policies, and processes* • *Maintain a reporting relationship with the Regional Quality Improvement Committee and the Compliance Department. Reporting to occur not less than quarterly.* *Sub-committees may be created as needed to facilitate completion of specialized tasks.*
MEMBERSHIP	MEMBERSHIP, LENGTH OF TERM, AND VOTING: The Scope of Practice Committee shall consist of the following people or their designees: • *Clinical Compliance Coordinator (Co-Chair)* • *Regional Nurse Executive (Co-Chair)* • *Regional Compliance Officer* • *Vice President for Strategic Services/Compliance, MAPMG* • *Director, Quality Management Operations* • *Regional Manager, Nursing Practice and Education* • *Asst. Medical Director, Information Management & Research, MAPMG* • *Labor Management Partnership representative(s)* • *Medicare Compliance Manager* • *Senior Compensation Consultant* • *Director, Human Resources (ad hoc)* • *Director, Professional Staff Office and Delegation Oversight*

	• *Primary Care Physician (Service Chief or Physician Director)* • *Specialty Physician* • Clinic Coordinator
REPORTING	Mid-Atlantic Scope of Practice Committee reports quarterly to the Regional Quality Improvement Committee (RQIC).

Region	**SOP Committee Structure and Process Summary**
NCAL PURPOSE	Purpose of our "Regional Non-Physician Practitioner Scope of Practice Advisory Committee: The Non-Physician Practitioner Scope of Practice Advisory Committee is established to evaluate non-physician practitioner scope of practice issues that exist at Kaiser Permanente and to advise on implementation plans to address these issues. The work of the committee and workgroups includes identifying sources of SoP issues, prioritizing risk of each issue, identifying system gaps, proposing action plans when needed, recommending implementation plans that encompass KP's 7 Element Compliance Template, assigning accountabilities for actions to be taken and advising on the development of an infrastructure for ongoing identification and resolution of SoP issues.
MEMBERSHIP	**Membership** includes representation from • *Patient Care Services locally and regionally* • *Medical Group Administration locally and regionally* • *Regional Compliance* • *Program Office Legal Department* • *Accreditation, Regulation & Licensing* • *Regional Credentialing & Privileging* • *Local Assistant Administrator for Quality* • *APIC for Risk* • *Pharmacy Operations* • *Patient Business Services* **Ad hoc members** • *TPMG Legal*

	• *TPMG Human Resources* • *Continuing Care Leader* • *Human Resources Compliance* • *Program Office Legal* • *Work group: Includes labor representation of roles being addressed (2-3)*
REPORTING	This group reports regularly to the Executive Compliance Committee and will report any Quality of care issues to the Quality Oversight Committee

Region	**SOP Committee Structure and Process Summary**
SCAL PURPOSE	SCOPE AND AUTHORITY: • Identify areas of risk, facilitate resolution and implementation of actions and monitor Scope of Practice across all care venues CO-CHAIRS: • *AMD, SCPMG* • *SVP & SAM, KFH/HP*
MEMBERSHIP	MEMBERSHIP: • *Vice President, Quality and Risk Management, KFH/KFHP* • *Executive Consultant, Quality and Risk Management, KFHP/KFHP* • *Executive Director Patient Care Services, Operations, KFHP* • *Manager of SCPMG Nursing Administration, SCPMG* • *Medical Group Administrator, Bellflower, SCPMG* • *Medical Group Administrator, South Bay, SCPMG* • *Counsel, KFHP* • *Senior Consultant AR&L* • *Labor Coalition Representative* • *Project Support: Management Consulting*
REPORTING	• *Southern California Regional Compliance Leadership Committee* • *Southern California Quality Committee SCQC* • *Southern California President and Regional SCPMG Medical Director*

Region	SOP Committee Structure and Process Summary
NORTHWEST PURPOSE	To address regional scope of practice issues for both licensed and unlicensed clinical and support staff in order to identify and address areas for improvement in compliance, patient safety and operational efficiencies.
MEMBERSHIP	REPRESENTATION The committee shall consist of: • Management Representatives: *- Integrity, Compliance and Ethics Manager(s) (stakeholder)* *- NW Permanente Physician (stakeholder)* *- Health Plan Legal Counsel (consultant)* *- Human Resource Manager (consultant)* *- Director, Ambulatory Nursing (stakeholder)* *- Pharmacy Manager (consultant)* *- KP Health Connect Representative (consultant)* *- Medical Office Managers (stakeholder)* *- NW Perm & PDA General Counsel & Compliance (consultant)* *- Laboratory Services (consultant)* • Labor Representatives: *- OFN Health Professional (stakeholder)* *- OFN – RN (stakeholder)* *- SEIU – LPN (stakeholder)* *- SEIU – MA (stakeholder)* • Staff Support
REPORTING	This committee will have a reporting relationship to ROG and Compliance Department and also have access to MOLT (when decisions need to be worked out). Specific senior leaders who have been identified are: [names deleted]

Region	SOP Committee Structure and Process Summary
OHIO PURPOSE	To review and address SOP issues as they arrive. Charter is in the process of development.
MEMBERSHIP	Expended Medical Operations Team with representatives from the Union as the scope of practice team.
REPORTING	To Executive Team.

- *Produce Part A SOP tool kit by 3/31/2006*
- *Design, test, and conduct 2 – 4 hour mandatory basic training for SOP, to include Part A tool kit, by 6/30/2006*

B. Phase II (Timing to be determined by CIC)

- *Develop Part B of SOP tool kit*
- *Provide on-going, updated SOP training utilizing department staff meetings, and Part B tool kit.*
- *Develop and provide skills training programs*
- *Develop SOP module for New Employee Orientation Program*
- *SOP competency to be part of job descriptions and annual evaluation process*

C. Additional Consideration

- *CEUs should be available for participation*
- *Labor and management accountability for ensuring participation*
- *Integrate concepts in KP HealthConnect training*
- *Pre and Post testing for evaluation and CEU's*
- *Fun, creative, and engaging training (i.e. Scope of Practice week, Jeopardy Game, etc)*

V. Costs Associated with Recommendation

- *High initial cost for broad-based employee training and tool kit*
- *Preventive expenditure; should prevent fines and penalties for noncompliance; costs of litigation; reputation damage*
- *Return on investment will be significant*
- *Look at existing internal structures to help support training and tool kit (i.e. KPHC CBA, Dept meeting)*

VII. Implementation

1. Within 90 days of ratification, across the program, leadership will:

- *Assess standing committees that may impact SOP;*

- *Determine which committee at each level is best positioned to coordinate and integrate SOP issues; and*
- *Assure that committees are operating within LMP process, structure and following the SOP Vision and Principles*

2. Resource and implement education plan, with initial phase completed by mid-year 2006

3. Establish reporting systems/metrics

- *Annual regional SOP report to National Strategy Group*
- *Tracking system of SOP issues for regional sharing of successful practices*

4. Develop and implement a communication plan

Exhibit 1.F

2005 Attendance BTG Report, Concept #3, pages 20-23

Budgeting, Staffing and Scheduling

Concept #3: Provide budgeting, staffing and scheduling at the unit level to ensure adequate backfill for time-off.

Interests/Objectives

- *Provide backfill so employees are able to use leave benefits appropriately and take time off when requested.*
- *Provide adequate staffing within the budget to cover the work operations and other work-related requirements.*
- *Ensure forward-looking planning to anticipate and provide for future staffing needs.*
- *Budget realistically to provide for all components of legitimate time off from work and apply those budget components as intended.*
- *Accurately track requests for time-off to provide managers and employees with transparent data on time off.*

N. Approach:

Staffing Model

1. Each unit develops a unit level staffing model (core staffing) that specifies the staffing needed to cover operations (refer to joint staffing language in the National Agreement). The model will include assumptions about productivity and performance that reflect both historical experience and expectations of process improvements.
2. The model will include workload factors such as seasonal fluctuations.
3. The model will also include all time away from work and work-related assignments
4. The staffing model identifies core staffing levels for various operating levels and identifies triggers for backfill based in part on service level metrics (e.g. if service levels fall below a certain defined point).
5. The model must account for specialized skills and hard-to-fill occupations.
6. There will be no automatic backfills: it will be based on the staffing model which may specify different staffing coverage in different operating circumstances.
7. The staffing model will be reviewed on an annual basis and adjusted as needed.

Workforce Planning

1. Each unit will jointly develop an annual workforce plan to cover the staffing requirements defined in the staffing model.
2. The workforce plan will be reflected in the unit staff and backfill budget.
3. The plan will project staffing availability based on the current employees, contractual time off, actuarially-based illness and injury, and workforce demographics.
4. The plan will identify ways to cover short term staffing needs such as full time, part time, on-call, overtime, float pool, cross-training, flexible assignments, etc. in a way that allows a relatively stable permanent workforce while striving for full workforce utilization.
5. The plan will also identify the need to recruit, train and develop employees to fill operational requirements in the future.

Budgeting Process

1. At a regional level, the budgetary process will include a line item for backfill/replacement in each unit budget.
2. The process for developing the regional budget for backfill will include meaningful labor input and participation.
3. A replacement factor will be established as a multiple of the payroll budget that will be based on contractual time off (vacations, holidays, etc.), an actuarially-based projection of illness and injury including FMLA projections based on previous years, and provision for other activities such as training, meetings and LMP projects.
4. The replacement factor may be adjusted by operating needs as reflected in the staffing model (i.e. replacement staff may not be needed in certain situations).

Budgeting Illustration

Time off Budget (per employee)		
Vacation (average)	20.0	days
Holidays	6.0	
Personal days	3.0	
Sick leave (average)	7.3	
FMLA	1.8	
Workers Comp	.9	
Education/Training	5.0	
Meetings (1 hour/week)	6.0	
Projects/improvements (average)	2.0	
Total	**52.0**	**days**

Total time off: 52 days / (52 weeks x 5 days = 260 days) = .20 or 20%

Discount (assuming replacement does not occur in 40% of cases due to workload, scheduling and flexibility): .20 x .40 = .08 or 8%

Net time off factor for budget (.20 - .08 = .12) or 12% replacement factor

May need to adjust the factor if the unit chooses to backfill a significant percent of time off with higher cost sources (overtime or temp agency) instead of permanent staff.

Budget Line Items

Personnel	$ 1,000,000
Benefits @ 42%	420,000
Backfill @ 12%	120,000
Total Personnel budget	1,540,000

Innovative Work Schedules and Scheduling

1. Local units should consider flexible work schedules to enhance the ability of the unit to provide scheduled time off. Examples of flexible work schedules includes: flex scheduling, telecommuting, job sharing, etc. (See p.13 of the National Agreement. This states "Respect for seniority and union jurisdiction, flexibility for employees' personal needs... Flexibility in work scheduling, work assignments and other workplace practices.").
2. Local units should consider self-scheduling concepts including self-directed teams where work groups would have responsibilities and be allowed to schedule themselves to accomplish them within defined parameters.
3. Facilities should consider services, vouchers or referral services to help employees address family issues (e.g. childcare or eldercare).

Tracking Time Off Requests

Short Term

1. Develop a basic system to capture data on requests for time-off, approvals, denials and reasons for denials. The system may be a manual tracking sheet or a stand alone computer application.
2. Use collected time off data to set targets for time off requests and to support scheduling.
3. Establish reporting of time-off data.
4. Complete and file time off request reports at business unit level.
5. Create monthly summaries of time-off requested, taken, and denied and submit to Region to establish a region-wide view.
6. Consider limiting requests for denial data to those areas identified as high-absenteeism areas, as part of a specific intervention process.

Timeframe: Implement time-off reports by June 30, 2006

Long Term

1. Integrate and automate time off requests and approval/denial into scheduling and/or timekeeping systems.
2. Integrated systems will include reporting at a unit level to facilitate administration of time off requests as well as roll up reporting to regional and national levels.
3. Each employee will have access to their own time off request and status tracking via a self-service system such as a website.

Administering Time Off

1. Within the staffing plan, management and employees will work together to provide the flexibility, including flexible work schedules, to allow time off. Time off will not be allowed to compromise operating goals such as quality, service levels or safety.
2. Management and labor will jointly develop a system for requesting and approving or denying time off that is prompt, fair and transparent.
3. Front line management and labor will jointly develop targets for percentage of requested time off granted.
4. Using data from the tracking system, the unit will jointly monitor requests for time off for time off and work together to correct shortfalls.

Exhibit 1.H.3

May 22, 2003

(Relevant section only)

Applicable to all classifications.

It is the intent to discontinue the practice of scheduling/requiring mandatory overtime. Effective August 15, 2003, mandatory overtime will not be used except in a government declared state of emergency. Even in a state of emergency, the facility/facilities will take all reasonable steps to utilize volunteers and to obtain coverage from other sources prior to mandating overtime. The pre-implementation time will be used to assess practices and develop new scheduling processes to make the discontinuance of mandatory overtime possible.

Specifically, the parties will jointly review where the practice of mandatory overtime exists and work with department staff to develop procedures, processes and solutions to avoid this need in the future. At the end of the pre-implementation period, it is expected that joint processes/procedures will be in place to assure successful implementation of the elimination of mandatory overtime after August 15.

Mandatory Overtime – Principles and Tools

We have a mutual vision, to make Kaiser Permanente the best place to work, as well as the best place to receive care. Through the Partnership, unions, management and employees are sharing responsibility, information and decision making, to improve the quality of care and service and enrich the work environment. The ability to rely on a stable schedule is fundamental to this equation and the parties have therefore committed to discontinue mandatory overtime practices. Our overall goal is to avoid the mandatory assignment of unwanted work time, outside of schedule requirements of the posted position.

A recent review indicated that there are very few departments or units where the problems resulting in the need for mandatory assignments remain. As a result, the parties have jointly prepared the following principles and tools to assist those areas in problem solving the issues and achieving the goal.

Principles

- *There is value in achieving the goal.*
- *Patient care is of utmost importance.*
- *Stability in work schedules is of utmost importance.*
- *Respecting personal responsibilities and lives contributes to overall morale and commitment.*

I. Definitions

Extraordinary Circumstances

The Partnership recognizes these interests through a presumption against sub-contracting; however, the Partnership also recognizes sub-contracting is appropriate in meeting day to day business needs, temporary peak work loads, hard to fill vacancies. In addition, sub-contracting could be appropriate in extraordinary circumstances, defined as significant quality, service, patient safety, workplace safety or cost savings opportunities that are of sufficient magnitude as to override the presumption against sub-contracting.

Bargaining Unit Work

Work currently performed by bargaining unit employees anywhere in the Region.

Future Subcontracting

Any new or additional contracting of bargaining unit work.

Insourcing

Internalizing work that was previously performed in the bargaining unit, or which is Union eligible, that has been outsourced, to be performed by bargaining unit employees.

Feasibility Analyses

A joint process used by labor and management representatives to evaluate the feasibility and necessity of outsourcing or insourcing specific work, considering cost, quality, service, safety and efficiency by consensus decision-making.

Costs

Capital expenditures, equipment, supplies, and FTE efficiencies, but excluding the cost of wages and benefits.

II. Guidelines

Notification

Partnership bargaining unit work will not be subcontracted except as described in extraordinary circumstances above. When Kaiser Permanente believes that current or future partnership bargaining unit work should be subcontracted and further believes that there are reasons to subcontract, such as extraordinary circumstance, Kaiser Permanente will notify the appropriate union and the Coalition of Kaiser Permanente Unions, in writing, of the desire to meet and discuss subcontracting of specific work. A Union wishing to initiate

consideration of insourcing certain contracted work will likewise notify Kaiser Permanente of its desire to meet and discuss the issue.

Process

An initial meeting will occur as soon as possible following the date of written notification to the Union or to Kaiser Permanente. Kaiser Permanente management will be responsible for coordinating the meeting. A Committee of at least two union and two management representatives, with knowledge of the specific work under consideration, will be appointed to establish timelines for completion of the analysis, conduct the analysis, and develop a written report that summarizes the results of the analysis and states the subcontracting or insourcing recommendation to Management and Union Leadership.

Interest-based Problem Solving will be used to define the work done by the Committee. The Key Principles for Subcontracting (see Part 3) should guide the decision-making process.

The feasibility analysis should result in the development of one or more options from which the Committee will recommend one to the parties. One option to consider is the feasibility of implementing a rapid cycle improvement process that could achieve similar or better results when compared to the subcontracting option. The involved Union or Management may submit an alternative option, which will be considered by the Committee before making its final decision.

Once the analysis has been completed, the Committee will reach consensus on a recommendation on whether or not to subcontract or insource the work or consider an alternative course of action. If the committee is unable to reach consensus, either party may submit the issue(s) to the next level for resolution in accordance with the National Agreement.

III. Key Principles

Key Principles will guide the approach to subcontracting and insourcing, leading to consistency and standardization across the organization. Regional outcomes should be consistent with the national guidelines in the following areas:

Category	Subcontracting Principle	Insourcing Principle
Operational Feasibility	There has been consistent demonstration of the organization's inability to acquire or develop the expertise or capability required to effectively provide needed services. Quality, service, cost, workplace and patient safety will be considered in the study.	The potential workforce must have the expertise, capability, flexibility and knowledge base to enter and provide the needed service(s) with reasonable startup time or training. It is understood that any decision to insource work will require an adequate transition period for implementation. Quality, service, cost, workplace and patient safety will be considered in the study.
Staffing	The labor pool from which positions are filled is insufficient to meet demand. A business analysis illustrates the cost prohibitive nature of recruitment / retention of staff, excluding labor rates and benefits costs.	The potential workforce is available in the labor market to allow KP to recruit for positions required by the proposed insourcing project.
Cost	A business analysis shows that retaining the services would be significantly more costly than comparable competitor operations, excluding labor rates and benefit costs, and puts the organization at a significant competitive disadvantage.	A business analysis has been completed for the insourcing option. The business analysis indicates that the insourcing option is significantly less costly than the contracted vendor, excluding labor rates and benefit costs.
Quality	It has been demonstrated that the organization does not have the core competencies required to provide the desired quality of service or to provide them efficiently. There has been a demonstrated inability to acquire the	The insourcing solution complies with and ensures the quality standard that is acceptable and efficient to the organization.

Category	Subcontracting Principle	Insourcing Principle
	core competencies for success.	
Labor Relations	The union should receive adequate notification of the desire to subcontract services. *All applicable* provisions of the National Agreement will be adhered to, by the Coalition and Management.	Wages and job duties/descriptions are created, confirmed and negotiated, as necessary. Jurisdictional issues are clarified
Contracting and Compliance	The subcontracting solution does not create or result in liability with any existing contracts or other unions/bargaining units performing the work. *Compliance with requirements* of JCAHO, EEOC, HCFA, Title 22 and SMWBE (Small, Minority, Women-owned Business Enterprise) are ensured.	The insourcing solution does not create or result in liability with any existing vendor contracts or other unions/bargaining units performing the work. *Compliance with* requirements of JCAHO, EEOC, HCFA, Title 22 and SMWBE (Small, Minority, Women-owned Business Enterprise) are ensured.
Employer of Choice	The subcontracting solution should be in keeping with the vision of KP becoming the Employer of Choice. The subcontracting solution supports KP's involvement in community service.	The insourcing solution will support KP's involvement in community service and contribute to KP being the employer of choice.
Ongoing Review	If a decision results in keeping the function/service in KP, results will be periodically reviewed to determine if efficiencies were achieved. In the event the goals/efficiencies are not achieved, subcontracting will become an option.	If a decision results in bringing work into KP, the service or function will be periodically reviewed to determine if efficiencies/goals were achieved. In the event the goals/efficiencies are not achieved, subcontracting will become an option.

Exhibit 2.B.1.c

LETTER OF AGREEMENT

PARENT MEDICAL COVERAGE

In accordance with Section 2, B, 1 (b), of the 2000 National Agreement, effective May 1, 2002, Kaiser Permanente will offer federally non-qualified group medical coverage to parents of employees represented by a National Partnership Union.

In order for an employee's parents to qualify for this coverage, the employee must be an active employee and be eligible for medical benefits, whether or not he or she actually enrolls in Health Plan coverage.

Benefits included in Parent Medical coverage are:

- *$5 doctor's office visits*
- *$5 prescription drug coverage*
- *Uncapped prescription drug benefit*
- *$5 hearing and vision exams*
- *No charge for inpatient hospital care*
- *No charge for lab tests and x-rays*
- *No charge for allergy testing and treatment*
- *$25 emergency department copayment*
- *No charge for approved ambulance services*

Individuals who enroll in Parent Medical Coverage will be responsible for the entire amount of the premium for their coverage, as well as for any applicable copayments and any Third Party Administrative fees. Kaiser Permanente will not subsidize any portion of the premiums.

Bill Rouse

Benefits Task Force Labor Co-Chair UNAC/UHCP, AFSCME

Ellen Canter

Benefits Task Force Management Co-Chair

VP, Benefits and HR Administration

Kaiser Permanente

INTENT

PARENT MEDICAL COVERAGE

In accordance with the 2000 National Agreement, effective May 1, 2002, Kaiser Permanente will offer federally non-qualified group medical coverage to parents of employees represented by a National Partnership Union.

Eligibility

Eligible Employees

In order for an employee's parents to qualify for this coverage, the employee must be an active employee represented by a Kaiser Permanente National Partnership Union and be eligible for medical benefits, whether or not he or she actually enrolls in Health Plan coverage. An employee is also considered eligible if he or she retired from Kaiser Permanente as a member of a National Partnership Union between October 1, 2000 and March 1, 2002, in accordance with the provisions of his or her retirement plan.

Eligible Parents

The following are considered eligible parents and may enroll in Parent Medical Coverage as long as the employee through whom they claim coverage meets the eligibility requirements above:

- *Employee's natural parents.*
- *Employee's stepparents, if still married to or widowed from employee's natural parent. Widowed stepparents who remarry will not be eligible for coverage.*
- *A domestic partner of employee's parent. The domestic partner will be required to complete an Affidavit of Domestic Partnership.*
- *Employee's spouse's or domestic partner's natural parents.*
- *Employee's spouse's or domestic partner's stepparents, if still married to or widowed from spouse's or domestic partner's natural parent. Widowed stepparents who remarry will not be eligible for coverage.*
- *A domestic partner of spouse's parent. The domestic partner will be required to complete an Affidavit of Domestic Partnership.*

To be eligible, parents and parents-in-law must reside in the same region as the Partnership Union employee through whom coverage is being offered. For the purposes of this plan, Northern California and Southern California will be considered separate regions.

Dependents of parents are not eligible for this coverage.

Enrollment in Parent Medical Coverage

Enrollment for Parent Medical Coverage will only be allowed only during designated enrollment periods:

- *There will be an annual open enrollment period.*
- *New employees will have 31 days from their date of hire to enroll their eligible parents. Coverage will be effective on the 1st of the month following enrollment.*
- *Employees who have a change in eligibility status (e.g., change from a non-benefited to a benefited status, or a marriage or divorce) will have 31 days to enroll or disenroll parents from coverage. Coverage will be effective on the 1st of the month following enrollment.*
- *Employees and their eligible parents are required to fill out and return all necessary forms and provide any requested documentation prior to enrollment.*
- *Each eligible parent must enroll separately. In addition, enrollees who are eligible for Medicare Arts A & B must submit a Senior Advantage enrollment form.*
- *Parents may enroll outside of the open enrollment period if they move into the region, or become newly eligible for Medicare, within 31 days of the qualifying event.*
- *Parents who disenroll from this coverage for any reason must wait until the next open enrollment period to re-enroll.*

Coverage Premiums

- *Coverage premiums are age-rated for all non-Medicare eligible parents. Premiums are subject to change annually.*
- *Age-rated premiums will be charged based on subscriber's age on the date of enrollment. After the initial enrollment, age-related premium increases for subsequent years will be determined based on subscriber's age as of January 1st of that year.*
- *Medicare-eligible enrollees in this plan will be pooled with other Medicare-eligible members in their region to determine premium rates.*
- *Individuals who enroll in Parent Medical Coverage will be responsible for the entire amount of the premium for their coverage, as well as for any applicable copayments and any Third Party Administrative fees. Kaiser Permanente will not subsidize any portion of the premiums for this coverage.*
- *Premium payments for coverage are made directly through the Third Party Administrator of the plan, currently Ceridian.*

Coverage

Parent Medical Coverage is essentially the same in all regions in which Kaiser Foundation Health Plan medical services are available. However, there will be certain regional differences in how the Health Plan is administered, including differences in some copayments, exclusions and limitations. Benefits included are:

- *Benefits included in Parent Medical coverage are:*
- *5 doctor's office visits*

- *$5 prescription drug coverage*
- *Uncapped prescription drug benefit*
- *$5 hearing and vision exams*
- *No charge for inpatient hospital care*
- *No charge for lab tests and x-rays*
- *No charge for allergy testing and treatment*
- *$25 emergency department copayment*
- *No charge for approved ambulance services*

There will be no exclusions for pre-existing conditions, and no medical review will be required.

Copayments in the plan will be maintained at the current level to the extent that such copayments are available in each region, as long as the plan maintains its 'large group' status.

Medicare-eligible parents who are enrolled in Medicare Parts A and B, and assign their benefits to Kaiser Permanente will be offered Senior Advantage or a similar Medicare Risk plan where available. In regions where there is no Medicare Risk plan, a Medicare Cost plan will be substituted. Parents who are enrolled in Medicare Part A only will receive the non-Medicare benefits, but may be eligible for reduced premiums.

In areas where Kaiser Permanente does not offer any Medicare plan, eligible parents may still enroll in the non-Medicare plan, and will pay the non-Medicare premiums, regardless of their participation in Medicare.

Coverage will be available in all regions in which Kaiser Foundation Health Plan medical services are offered and in which there are active National Partnership Union employees, including the Northern California and Southern California, Colorado, Ohio, and Mid-Atlantic States Regions. The Northwest Region will continue to offer its existing parent coverage plan, under the rules already established for that plan. National Partnership Union employees in Texas will not be eligible to enroll their parents in this plan, as there is no Kaiser Foundation Health Plan coverage available in that region.

When Parents Lose Coverage

Coverage will end at the end of the month in which:

- *The employee through whom a parent claims benefits terminates prior to retirement, is no longer represented by a National Partnership Union, or is no longer eligible per the eligibility requirements above.*
- *The parent no longer meets the eligibility requirements as stated in the 'Eligible Parents' section above.*

- *The employee and covered parent no longer reside in the same region. For the purposes of this plan, Northern California and Southern California are considered two separate regions.*
- *Premiums for medical coverage are not paid.*

Parents who are disenrolled from Parent Medical Coverage will be offered conversion to an individual plan.

Exhibit 2.B.1.c

May 22, 2003

(Relevant section only)

SPONSORED PARENT/PARENT-IN-LAW GROUP

Applicable to parents and parents-in-law of all classifications.

Effective 1-1-03, parents and parents-in-law of Regular employees will be offered the opportunity to purchase the enhanced Senior Advantage health plan coverage at their own expense provided they are enrolled in Parts A and B of Medicare and meet the eligibility rules of the Senior Advantage health plan. For those regions without a Sr. Advantage product, the Medicare product available in that Region will be offerred.

The enrollment rules, eligibility and plan design (benefits and co-pays) will be consistent although not identical, (regional variation may apply) and will be reviewed by the Benefits Task Force. (Regional variation may apply). The Employer shall not be required to bargain over such changes. However, the Employer shall provide the unions with forty-five days' notice of the nature and date of such changes.

Participants enrolled prior to 1-1-03 will be grandfathered under their current eligibility rules.

In the Northwest, the parties will resolve the issue as follows:

1. *No new non-Medicare eligible will be admitted*
2. *Rates for grand-fathered group will be raised by the same % the market increases annually plus an additional 25% annually toward closing the gap to market, with intent to reach market rates at year four.*
3. *New enrollees will be charged market rates.*

Exhibit 2.B.2.b

LIST OF LMP DEFINED BENEFIT PLANS SPONSORED BY KAISER PERMANENTE

Plan Name

Kaiser Permanente Employees Pension Plan Supplement to the KPRP

Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP

Kaiser Permanente Southern California Social Services Pension Plan Supplement to KPRP

Kaiser Permanente Fontana Pension Plan Supplement to KPRP

Kaiser Permanente Northwest Pension Plan Supplement to KPRP

Kaiser Permanente Colorado Pension Plan Supplement to KPRP

Kaiser Permanente Colorado Professional Employees Pension Plan Supplement to KPRP

Kaiser Permanente Ohio Employees Pension Plan Supplement to KPRP

Kaiser Permanente Mid-Atlantic Employees Pension Plan Supplement to KPRP

Kaiser Permanente Physicians and Employees Retirement Plan Supplement to KPRP

Kaiser Permanente Represented Employees Pension Plan Supplement to KPRP

Kaiser Permanente Fontana Pension Plan Supplement to KPRP for SCPMG

Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP for SCPMG

Kaiser Permanente Southern California Social Services Pension Plan Supplement to KPRP for SCPMG

Kaiser Permanente Nurse Anesthetists Pension Plan Supplement to the KPRP for SCPMG

Kaiser Permanente Represented Employees Pension Plan Supplement to KPRP for SCPMG

Retirement Plan for Mental Health Workers Supplement to Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc

Kaiser Permanente Represented Employees Pension Plan Supplement to Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc

Kaiser Permanente Optometrists Retirement Plan

Exhibit 2.B.2.b

LETTER OF AGREEMENT

In accordance with the Common Retirement Plan provisions of the 2000 National Agreement, the undersigned constituted a Labor Management Partnership Committee to consider moving to a common minimum pension multiplier. The committee met on January 7, 2002 and, after consideration, agreed to a common minimum pension multiplier of 1.4% for National Agreement signatory unions. The new minimum multiplier is effective January 7, 2002, and will be retroactively applied to participants who terminate on or after October 1, 2000. This agreement applies to all sponsoring employers of Kaiser Permanente pension plans covering members of partnership unions listed in the attachment, Section A. Plans will be amended to reflect the new minimum multiplier.

In addition, the Committee agrees that employees covered by these plans and members of the signatory unions to the National Agreement, who are plan participants but whose benefits have been grandfathered at a lower pension multiplier will also have their multiplier moved to the new minimum multiplier

Finally, the Committee agrees that employees covered by the National Agreement who are reflected in the attachment, Section B and as such are currently in a pension plan that provides a pension multiplier equal to or higher than the new minimum shall maintain the current multiplier

Peter diCicco

Executive Director

Coalition of Kaiser Permanente Unions

Leslie Margolin

Senior VP, Workforce Development

Kaiser Permanente

Bill Rouse

Benefits Task Force Labor Co-Chair UNAC/UHCP, AFSCME

Ellen Canter

Benefits Task Force Management Co-Chair

VP, Benefits and HR Administration

Kaiser Permanente

Exhibit 2.B.2.b

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING 1.4% MULTIPLIER

Section A

Kaiser Permanente Pension Plans	**Union**
In Northern California:	
Kaiser Permanente Employees Pension Plan (KPEPP)	Office and Professional Employees International Union, Local 29 (Clerical) Hospital and Health Care Workers Union, Local 250 (SEIU) Service Employees International Union, Local 535 (Social Workers) Service Employees International Union, Local 535 (Optical Workers)
Kaiser Permanente Retirement Plan for Mental Health Workers	Service Employees International Union, Local 535 (Social Workers – LCSW's; CDRP Counselors, Psychologists) for employees hired **on or after** 10/13/00
In the Northwest:	
Kaiser Permanente Northwest Pension Plan (KPNPP)	Oregon Federation of Nurses (Registered Nurses) [1] Service Employees International Union, Local 49 Oregon Federation of Nurses (Hygienists) [1] Oregon Federation of Nurses (Technical) [1] Oregon Nurses Association [1]

In Colorado:	
Kaiser Permanente Colorado Pension Plan (KPCPP)	Service Employees International Union, Local 105
In Ohio:	
Kaiser Permanente Ohio Employees Pension Plan (KPOEPP)	Office & Professional Employees International Union, Local 17

[1] The 1.4% multiplier will be used to calculate benefits for active employees with accrued benefits (e.g., those employees who are now covered by a Trust but maintain a previous earned benefit under the plan).

Section B

Kaiser Permanente Pension Plans	Union
In Northern California:	
Kaiser Permanente Retirement Plan for Mental Health Workers	Service Employees International Union, Local 535 (Social Workers – LCSW's, CDRP Counselors, Psychologists) for Employees hired **before** 10/13/00
Kaiser Permanente Optometrists Retirement Plan (KPORP)	Engineers & Scientists of California, Local 20, IFPTE (formerly MEBA) (Optometrists)
In Southern California:	
Kaiser Permanente Southern California Employees Pension Plan (KPSCEPP)	United Nurses Association of California (Registered Nurses) – L.A. & Bakersfield areas United Nurses Association of California (Registered Nurses) – San Diego, Woodland Hills, & Riverside areas Office and Professional Employees International Union, Local 30 Service Employees International Union, Local 399 American Federation of Nurses – Sunset United Food & Commercial Workers Union (Medical Technologists) – except San Diego Locals 324, 770, 1036, 1167,1428 United Food & Commercial Workers Union Bakersfield – Clerical/Service/Pt Care Locals 135, 324, 770, 1036, 1167, 1428 OPEIU, Local 30, California Service Center, San Diego

Kaiser Permanente Southern California Social Services Pension Plan (KPSCSSPP)	Social Services Union, Local 535 (Psychiatry) San Diego Social Services Union, Local 535 (Psychiatry) Except San Diego
Kaiser Permanente Fontana Pension Plan (KPFPP)	United Steelworkers of America, Local 7600
Kaiser Permanente Nurse Anesthetists Pension Plan KPNAPP)	Kaiser Permanente Nurse Anesthetists Association
In the Mid-Atlantic:	
Kaiser Permanente Mid-Atlantic Employees Pension Plan (KPMAEPP)	United Food & Commercial Workers, Local 27 (Health Professionals) – Baltimore Office & Professional Employees International Union, Local 2, Washington Office & Professional Employees International Union, Local 2, Baltimore United Food & Commercial Workers, Local 400 (Health Professionals)

Exhibit 2.B.2.b

May 22, 2003

(Relevant section only)

PENSION

Effective March 1, 2003, for pension plans of employees covered by agreements of partner unions that currently provide for a defined benefit plan with a multiplier of 1.4% FAP, the FAP multiplier will increase to 1.45%. This multiplier will apply to all years of service. In addition, 1800 hours will be considered a year of Credited Service under these plans for pension calculation purposes. This new Credited Service hours definition will be effective beginning with the 2003 calendar year.

In the Northwest, effective March 1, 2003 for OFN/ONA RNs, OFN-Hygienists and Technical employees who have a defined contribution plan only, the improvement described above will apply prospectively only.

In the Northwest, effective March 1, 2003, the employer contribution to the defined contribution plan will be changed as follows: 1% for OFN-Hygienists and Technical employees and 1.5% for OFN/ONA RN's. The employer contribution for Local 49 will be maintained.

In Northern California, effective March 1, 2003, Clinical Lab Scientists, Local 20 may move to KPEP as modified by the agreement with no recognition of past service, and the employer contribution to the 401(k) plan will cease.

It is understood that where pension plans are moving from a defined contribution plan to a defined benefit plan, such is subject to ratification of the bargaining unit.

Exhibit 2.B.2.b

LETTER OF AGREEMENT

EARLY REDUCTION FACTORS

In accordance with the Common Retirement Plan provisions of the 2000 National Agreement (Section 2, B, 2 (b)), the undersigned constituted a Labor Management Partnership Committee to consider changes in the early reduction factors for the defined benefit pension plans. After consideration, the committee agreed to change early reduction factors used in calculating pension benefits from an actuarial reduction based on age to a *standard 5% reduction per year for National Agreement signatory unions.*

The new early reduction factors are effective immediately, and will be retroactively applied to participants who take either Early Retirement or Disability Retirement on or after January 1, 2002. This agreement applies to all sponsoring employers of Kaiser Permanente pension plans covering members of partnership unions listed in the attachment, Section A. Plans will be amended to reflect the new early reduction factors.

In addition, the Committee agrees that employees covered by the National Agreement who are reflected in the attachment, Section B, who as such are currently in a pension plan that provides early reduction factors equal to or higher than the new minimum shall maintain their current early reduction factors.

Finally, the Committee agrees that pension benefits will be recalculated, and corrective payments made to National Partnership Union members who have taken Early Retirement or Disability Retirement and have received a distribution from their Kaiser Permanente defined benefit pension plan between the effective date of the change and the present.

The new early reduction factors for each year are as follows:

Age at Retirement	Percent of Normal Pension Benefit
65	100%
64	95%
63	90%
62	85%
61	80%

	Office and Professional Employees International Union, Local 30 Service Employees International Union, Local 399 American Federation of Nurses – Sunset United Food & Commercial Workers Union (Medical Technologists) – except San Diego Locals 324, 770, 1036, 1167, 1428 United Food & Commercial Workers Union Bakersfield – Clerical/Service/Pt Care Locals 135, 324, 770, 1036, 1167, 1428 OPEIU, Local 30, California Service Center, San Diego
Kaiser Permanente Southern California Social Services Pension Plan (KPSCSSPP)	Social Services Union, Local 535 (Psychiatry) San Diego Social Services Union, Local 535 (Psychiatry) Except San Diego
Kaiser Permanente Fontana Pension Plan (KPFPP)	United Steelworkers of America, Local 7600
Kaiser Permanente Nurse Anesthetists Pension Plan (KPNAPP)	Kaiser Permanente Nurse Anesthetists Association
In the Northwest:	
Kaiser Permanente Northwest Pension Plan (KPNPP)	Oregon Federation of Nurses (Registered Nurses)[1]

	Service Employees International Union, Local 49 Oregon Federation of Nurses (Hygienists) [1] Oregon Federation of Nurses (Technical) [1] Oregon Nurses Association [1]
In the Mid-Atlantic States: Kaiser Permanente Mid-Atlantic Employees Pension Plan (KPMAEPP)	United Food & Commercial Workers, Local 27 (Health Professionals) – Baltimore Office & Professional Employees International Union, Local 2, Washington Office & Professional Employees International Union, Local 2, Baltimore United Food & Commercial Workers, Local 400 (Health Professionals)
In Colorado: Kaiser Permanente Colorado Pension Plan (KPCPP)	Service Employees International Union, Local 105
In Ohio: Kaiser Permanente Ohio Employees Pension Plan (KPOEPP)	Office & Professional Employees International Union, Local 17

[1] The early reduction factors will be used to calculate benefits for active employees with accrued benefits (e.g., those employees who are now covered by a Trust but maintain a previous earned benefit under the plan).

Section B - National Partnership Union Groups Not Affected by This Agreement

Kaiser Permanente Pension Plans	**Union**
In Northern California:	
Kaiser Permanente Retirement Plan for Mental Health Workers	Service Employees International Union, Local 535 (Social Workers – LCSW's, CDRP Counselors, Psychologists) for Employees hired **before** 10/13/00

Exhibit 2.B.3.d

General Description of Disability Plan Benefit Levels

Section 26 – Income Protection/Extended Income Protection

980 Employees scheduled to work twenty (20) or more hours per week will be provided with an Income Protection or Extended Income Protection Plan. The benefit amount will be equal to either fifty (50%) percent of base wages, sixty (60%) percent if integrated with a statutory plan (i.e., State Disability Insurance, Workers' Compensation, etc.), or seventy (70%) percent if the employee is on an approved rehabilitation program. If the employee is part-time, the benefits will be prorated according to the employee's scheduled hours. The minimum integrated benefit (prorated for part-time employees) provided by the program during the first (1st) year of disability will not be less than one-thousand ($1,000.00) dollars per month.

981 Section 27 – Eligibility for income Protection or Extended Income Protection

982 Eligibility for Income Protection or Extended Income Protection is based on length of service.

983 Section 28 – Income Protection Benefit

984 This benefit is provided to employees with less than two (2) years of service. Employees will receive a benefit commencing at the latter of exhaustion of Sick Leave or according to SDI guidelines (i.e., the first (1st) day of hospitalization, eighth (8th) day of illness/injury), and will continue for up to one (1) year from the date of disability with continued medical certification.

985 Section 29 – Extended Income Protection Benefit

986 This benefit is provided to employees with two (2) or more years of service. Employees will receive a benefit commencing at the latter of exhaustion of Sick Leave or three (3) months from the date of disability, and will continue for up to five (5) years from the date of disability with continued medical certification. Benefits due to psychological related disabilities and alcohol/drug abuse are limited to a maximum of three (3) years from the date of disability. The Duration of Benefits Schedule will apply to employees age sixty (60) or over who become disabled while eligible for this program.